



ANTOFAGASTA
MINERALS

DEVELOPING MINING FOR A BETTER FUTURE



SUSTAINABILITY
REPORT
2021

ABOUT THIS REPORT

This is Antofagasta Minerals' fifteenth Sustainability Report about our strategy, priorities and performance regarding the main material sustainability issues for our business and our stakeholders in 2021. The document includes data for 2021 and previous years to provide greater context and covers the following operations: Minera Los Pelambres, Minera Centinela, Minera Antucoya, Minera Zaldívar and Antofagasta Minerals' corporate headquarters. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The published indicators were verified by Deloitte.

All \$ in this report refer to US dollars unless otherwise indicated.



DEVELOPING MINING FOR A BETTER FUTURE

SUSTAINABILITY
REPORT 2021

/ Contents

OVERVIEW		SUSTAINABILITY		APPENDICES	
Letter from the CEO	4	TRANSPARENCY AND CORPORATE GOVERNANCE		Independent assurance letter	62
Antofagasta Minerals at a glance	6	Corporate governance	24	Materiality	63
Interview with the Chair of the Sustainability and Stakeholder Management Committee	8	Sustainability and Stakeholder Management Committee	26	ICMM Mining Principles	64
Our approach to sustainability	10	Sustainability Policy	27	ICMM requirements for Sustainability Reports	65
Our commitment to the Sustainable Development Goals	12	Compliance and internal controls	28	The Copper Mark	66
Our Strategic Framework	14	Risk management	30	Sustainability goals	68
Our business	16	ECONOMIC PERFORMANCE		Summary of sustainability performance	69
How we engage with our stakeholders	18	Copper for a more sustainable world	32	GRI content index	75
Collaborative solutions to common challenges	20	Delivering sustainable economic value	33		
Creating value through the mining lifecycle	22	Responsible supply	34		
		PEOPLE			
		Our people	36		
		Safety and health	40		
		SOCIAL DEVELOPMENT			
		Communities	42		
		ENVIRONMENTAL MANAGEMENT			
		Climate change	50		
		Focus on the environment	54		
		Biodiversity	59		

Developing mining for a better future

OUR VISION:

To be an international mining company, focused on copper and its by-products, known for its operating efficiency, creation of sustainable value, high profitability and as a preferred partner in the global mining industry.



/ Letter from the Chief Executive Officer

A year of important progress

Iván Arriagada

Chief Executive Officer, Antofagasta Minerals



Dear stakeholders,

I am once again pleased to share with you our Sustainability Report which, in this case, provides an account of the social, environmental and economic performance of Antofagasta Minerals in 2021. Our defined purpose, as one of Chile's leading copper producers, is to develop mining for a better future. Sustainability is, therefore, central to how we manage our business, in terms not only of the decisions we make at our operations, but also our contribution to important national and international challenges, including climate change.

For a second year, we had to adapt our work and, indeed, the way we live to the impact of COVID-19, with its complexities and restrictions. I know it was not always easy, but I could not be prouder of what we achieved.

Thanks to the commitment and motivation of our team, we were able to operate our mines and plants as planned whilst also safeguarding the health of our employees, contractors and communities. At the same time, we made real progress on our sustainability challenges, particularly the implementation of the five pillars of our Climate Change Strategy.

Our people

Our people are our most important asset and their safety is our top priority. It is, therefore, with the greatest sadness that, after almost three years without a fatality, I have to report the death of a contractor's employee, Fernando Silva López, at our Los Pelambres operation in July 2021. Following this painful event, the company sought to provide all possible support for his family and colleagues. A team, comprising representatives of our four operations and corporate offices, conducted a rigorous investigation into the accident and its causes and we have sought to ensure that the lessons learned from this lamentable event are fully integrated into our safety management system.

Apart from this tragic accident, we continued to work to strengthen our safety indicators. Proof of this is that high-potential incidents,

which are a leading indicator of where more serious accidents could occur, showed a sustained reduction.

Another priority in 2021, as in 2020, was to keep our employees, contractors and nearby communities safe from COVID-19. The discipline of our safety and health culture ensured we could incorporate the necessary protocols into our daily work. We also actively promoted the vaccination of our employees and contractors as an effective means of protection. Thanks to this, 97% of our workforce had been fully immunised by the end of the year.

One of the aspects of our performance of which I am most proud is the resilience and capacity for adaptation shown by our people in the face of the pandemic. Thanks to the lessons we learned, we have become a more flexible organisation, with a new hybrid way of working - combining in-person and remote formats - that has made us more productive as a team and provided a better balance between personal needs and the demands of work.

This new way of working also supported our target of doubling the percentage of women in our workforce by 2022 compared to 2018, a target that, in fact, we achieved in 2021. By the end of the year, women accounted for 17.4% of our workforce, up from the 2018 baseline of 8.6%.

Climate change

At Antofagasta Minerals, we want to ensure we are part of the solution to climate change and, through effective mitigation and adaptation measures, contribute to the achievement of international and Chilean goals in this field. As a copper producer, we have an important role to play by supplying a metal that is a critical input for the development of low-carbon technologies - from electromobility to the generation of renewable energy - which, in turn, promise to be key in reducing global greenhouse gas emissions.

However, we also need to decarbonise our own operations. That is one of the key drivers of the Climate Change Strategy we rolled out in 2021. After we achieved our previous emissions reduction target, we have announced a new, more ambitious target that, as well as carbon neutrality by 2050 - in line with Chile's national commitment - includes the shorter-term target of a 30% reduction in emissions by 2025, compared to 2020.

Taking advantage of Chile's prime conditions for the production of solar and wind energy, we are switching all our four mining operations to electricity generated exclusively from renewable sources, a transition we expect to complete in 2022. Through an Electromobility Plan and a number of energy efficiency initiatives, we are also working to reduce and, ultimately, eliminate the use of diesel at our mining operations.

Another key climate-related concern is water availability, particularly in central-northern Chile's drought-hit Coquimbo Region, where our Los Pelambres operation is located. We believe that the mining of the future must be an industry that does not compete for this resource in water-stressed areas. In response, Los Pelambres is building a desalination plant whose first stage, with an output of 400 litres per second, is due to start production in the second half of 2022. Pending the necessary permitting, we then plan to double its capacity, not only securing supply for our operation but also eliminating or reducing our use of continental water.

Our Centinela and Antucoya operations in northern Chile already use sea water. As a result, we anticipate that, by 2025 - when we expect the second stage of the Los Pelambres desalination plant to be completed - raw or desalinated sea water and reused or recycled water will account for 90% of the consumption of all our mining operations.



Iván Arriagada
Chief Executive Officer, Antofagasta Minerals

We want to ensure we are part of the solution to climate change... we are investing to grow sustainably.

We are committed to full disclosure of our climate-related impacts. Following an undertaking entered into in 2019 to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we published a TCFD Progress Report in September 2021 and have provided additional information in our 2021 Annual Report.

Communities

Given the shortage of water, its management is an integral part of our relations with the community, particularly in the Coquimbo Region. Los Pelambres actively participates in a Provincial Water Working Group, established by the Regional Government, to identify and implement solutions to improve the area's water security in the short, medium and long term. In addition, through our social investment programme in the area, we support the community organisations that manage household water supply and its associations of users of agricultural irrigation canals.

Looking to the longer term, we have also made an endowment to create a Chair of Water Sustainability at the Catholic University of Chile. Its purpose, along with our partnership in the Quitai-Anko research consortium, led by the University of La Serena, is to develop knowledge and human capital in this critical area for Chile's resilience to climate change.

In 2021, we continued to implement the strategy of support for communities in the vicinity of our operations that we launched in 2020 in response to the pandemic, seeking to protect their health and contribute to their economic and social recovery. To this end, we committed \$12 million to our Covid Fund over the two years.

In defining our social investment measures, we work closely with community leaders, the communities themselves and the authorities, seeking to complement government initiatives and collaborating with other companies and business associations. Our experience has

shown us that this is the most effective way to contribute to the quality of life and livelihoods of our host communities.

Economic performance

In 2021, we produced 721,500 tonnes of copper, down from 733,900 tonnes in 2020. Despite the restrictions imposed by the pandemic, this was within our projections for the year, with the drop explained largely by expected lower ore grades at our Centinela operation and restrictions on water availability at Los Pelambres.

At \$1.20/lb in 2021, our net cash costs represented an increase from \$1.14/lb in 2020, but were also within the expected range. The increase reflected lower production, the higher cost of inputs, such as oil, steel and acid, in the context of stronger international activity and increased commodity prices. Offsetting this, copper prices, of course, also rose significantly.

Looking ahead

In 2022, our Climate Change Strategy will remain a key focus of our work. As well as completing our transition to renewable energy and starting operation of the first stage of the Los Pelambres desalination plant, it includes the deployment of an internal carbon pricing methodology, a new sustainable procurement strategy and a number of initiatives to explore the possible use of hydrogen and batteries as an alternative to diesel in mine haulage trucks.

We also aim to play an important role in Chile's economic recovery in the wake of the global pandemic. As one of its leading mining companies, we will continue to create jobs, work with Chilean suppliers and develop local talent.

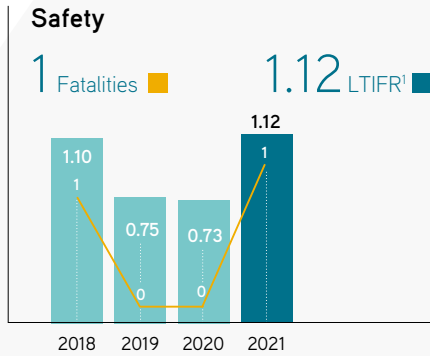
Antofagasta Minerals remains committed to the Sustainable Development Goals (SDGs) contained in the United Nations 2030 Agenda. We believe that, through our activities, we can contribute to their achievement at both the local and global levels.

I would like to finish this letter by thanking our team of employees and contractors for the commitment and dedication they showed in 2021. The results we achieved during the year would not have been possible without the work of each one of those who make up the Antofagasta Minerals team.

I hope you find our 2021 Sustainability Report useful. Thank you for your interest.

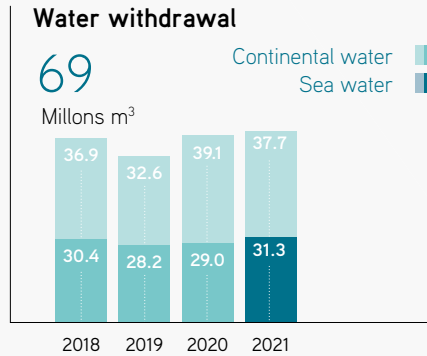
Iván Arriagada
Chief Executive Officer, Antofagasta Minerals

Antofagasta Minerals at a glance



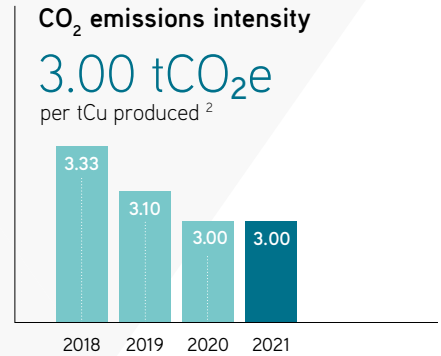
Performance in 2021

Tragically we had a fatal accident at Los Pelambres in July 2021. Our LTIFR rose mainly due to an increase in the number of accidents at our growth projects.



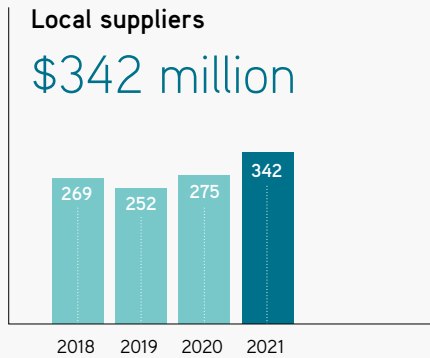
Performance in 2021

Our operational water withdrawal of sea water rose by 8% compared to 2020 due to an increase in the volumes of ore treated at Centinela and Antucoya, while the withdrawal of continental water decreased by 3%.



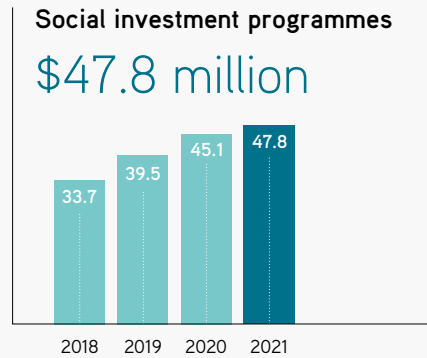
Performance in 2021

Although total emissions decreased in 2021, the intensity of CO₂ emissions remained unchanged compared to 2020.



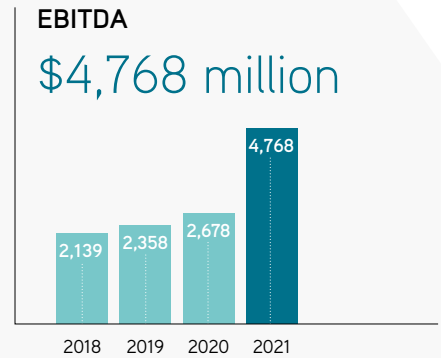
Performance in 2021

In 2021, we increased by 24% to \$342 million the value of contracts awarded to suppliers headquartered in the Antofagasta and Coquimbo Regions.



Performance in 2021

Our contribution to social investment programmes was \$47.8 million which includes voluntary social projects and programmes, commitments arising from RCAs and other instruments, donations and social agreements.



Performance in 2021

EBITDA was 78% higher compared to the previous year due to higher realised copper prices and efficient cost controls.

1. The number of accidents with lost time per million hours worked.
2. Tonnes of CO₂ equivalent per tonne of copper produced.

Highlights 2021



SUSTAINABLE GOVERNANCE

- Centinela and Zaldívar successfully completed the Copper Mark responsible production assurance process. Antucoya and Los Pelambres expect to receive the seal in 2022.
- We enhanced transparency with the publication of detailed reports on our progress to meet the TCFD recommendations, Climate Change Strategy and Social Management Model.
- We updated our Sustainability Policy to take account of the comments received in the Copper Mark self-evaluation and third party evaluation processes.



SAFETY AND HEALTH

- In July, Fernando Silva López, a contractor worker at Los Pelambres, tragically died in a fatal accident.
- We reduced the number of high potential incidents (HPIs) by 20%.
- We actively promoted the vaccination of employees and contractors against COVID-19 and achieved a vaccination rate of 97%.



PEOPLE

- We achieved a female participation rate in our workforce of 17.4%, achieving one year early our target set for 2022.
- As part of our Digital Transformation Programme, we began training employees at Centinela to operate autonomous trucks and continued with the installation of the integrated remote operations management centre in Antofagasta.
- We provided training opportunities to 152 apprentices, mainly from the regions of Antofagasta and Coquimbo, of whom 77% were women.



SUPPLIERS

- We increased the value of contracts awarded to local suppliers by 24%, as part of our commitment to foster economic development in the regions where we operate.
- We began incorporating additional ESG conditions, such as our internal carbon price, into our contract adjudication criteria.



COMMUNITY

- In July, we launched our *En Red* (Connected) digital connectivity programme to integrate communities in our areas of influence into the digital transformation era, expanding their horizons and opportunities, as well as speeding up their access to the social and economic benefits offered by digitalisation.
- A further \$6 million was added to our COVID Fund to finance health and economic measures for neighbouring communities.
- We reinforced community programmes on water for human consumption and irrigation to address the impact of the Choapa Province's acute drought.



ENVIRONMENT

- We announced our commitment to carbon neutrality by 2050 at the latest and an interim target of a 30% reduction in our GHG emissions by 2025 compared to 2020.
- We began implementing the five pillars of the Group's Climate Change Strategy.
- In July, the Environmental Evaluation Service approved the Declaration of Environmental Impact (DIA) for the exploitation of Polo Sur, an oxides ore body in the Centinela Mining District.
- In November, Centinela obtained approval of the DIA for its Alternative Disposal of Tailings in Pit project.

Interview with Vivianne Blanlot



Vivianne Blanlot

Chair of the Sustainability and Stakeholder Management Committee of Antofagasta plc's Board of Directors

This year the implementation of the Climate Change Strategy has advanced. What is the Strategy's focus?

This was indeed a year of progress in terms of the Climate Change Strategy's implementation.

Our Strategy is focused on five pillars: the development of climate resilience, the reduction of greenhouse gas (GHG) emissions, the efficient use of strategic resources, environmental and biodiversity management, and stakeholder integration.

In 2021, different initiatives were implemented for each of the Strategy's focus areas, among which I would like to highlight the publication of our first Climate Change report, the definition of a new and ambitious emissions reduction goal, the development and publication of the first TCFD report and the introduction of an internal carbon price, not only in the selection of suppliers, but also for project planning and evaluation.

During 2022 we will continue working on the implementation of new actions in order to achieve emissions reductions in the short term and carbon neutrality in the long term.

In May, ambitious new goals were announced to reduce carbon emissions. How do you expect to meet these goals?

The definition of new goals was undoubtedly one of this year's big milestones, not only because we committed to an ambitious goal, but also because this commitment requires significant management, operational and financial efforts for it to come to fruition.

Achieving reductions like these is not an easy task and we need to implement innovative actions that allow us to optimise our production processes, particularly those that use fossil fuels.

In this context, we have a clear objective to eliminate diesel consumption at our operations, gradually moving to lower carbon-emitting alternatives through the use of technologies based on electric batteries and green hydrogen fuel cells. In this area, we have focused on large mining trucks, which represent about 70% of our direct Scope 1 emissions.

In addition, in the last few years all of our mining operations have renegotiated their electricity supply contracts to switch from conventional sources, mainly coal, to renewable sources. As a result, it is expected that our mining operations' electricity will come exclusively from renewable sources by the end of 2022.

I also think it is important to highlight that we are in the process of evaluating Scope 3 emissions together with our suppliers. We are planning to make an inventory of these emissions in 2022 and to define a Scope 3 emission reduction goal in 2023.

A TCFD Progress Report was published in September. What does Antofagasta Minerals' TCFD commitment mean?

More than a commitment, we have taken a big step in terms of transparency with our stakeholders regarding how we as a company are addressing climate change.

The report shows the path we have taken over the last two years in identifying the risks and opportunities associated with different climate scenarios, in order to integrate climate change considerations into our main operational and financial planning cycles, which determine the way in which we manage our business.

Without a doubt, this exercise also contributed to strengthen the resilience of our strategy and asset portfolio against the possible impacts detected during the evaluation of climate scenarios.

Water use is an increasingly important issue given the lasting drought that Chile is facing. What is Antofagasta Minerals doing to address the problem?

Drought, a product of the effects of climate change, is a problem that has different dimensions and therefore requires solutions at different levels.

At the governance level, it is important to note that in 2021 we created the Water Resources Department, whose mandate is to ensure a secure supply and promote the efficient use of

water resources, thus reducing our operations' water footprint. This department has proposed a Water Policy to the Board, as well as water objectives and targets for 2025 and 2030.

At the operational level, we are in a transition process to change our water sources, focusing on reducing the extraction of continental water. Currently, two of our companies, Centinela and Antucoya, operate with raw sea water, and this year the sea water desalination plant that will supply Los Pelambres is expected to start operations.

The drought issue is also a social problem, and for years we have worked together with our neighbouring communities and with various institutions, on long-term collaborative initiatives that aim to mitigate the effects of drought and ensure water for human consumption as well as its use in agricultural.

Within these initiatives, I would like to highlight our two water management programmes APRoxima and Confluye, implemented by Fundación Minera Los Pelambres, which aim to alleviate the negative effects of the drought and to prepare the Choapa Province for the expected consequences of climate change, improving irrigation efficiency and ensuring the quality, quantity and availability of drinking water in rural areas.

Diversity and inclusion is a priority for the company. What progress can you highlight for 2021?

In terms of diversity and inclusion, the main milestone in 2021 was reaching earlier than anticipated the goal, originally planned for 2022, of doubling the participation of women in our workforce compared to 2018 (8.6%). We ended 2021 with a female participation rate of 17.4%, increasing the number of women at all levels of the company, particularly in management roles. With the early achievement of this goal, we set a new challenge for 2022: that women comprise one out of every five people employed by Antofagasta Minerals.



As a Board of Directors, it is our mission to guarantee safe working conditions for all our workers, both our own employees as well as contractors, so we will continue to work on reinforcing critical controls and their strict compliance, as well as that of our safety systems, which are key to promoting behavioural changes throughout the organisation.

I believe that the achievement of this goal was influenced by all the initiatives that we have deployed to promote a healthy balance between family and work life and to incorporate an inclusive culture throughout the organisation via webinars and other communications on topics such as parental co-responsibility, work-life balance and zero tolerance for sexual harassment in the workplace. In July we approved a protocol to support employees in a gender transition process.

Regarding the inclusion of people with disabilities, we currently surpass the legal minimum established in Chile and we continue to advance as an industry, together with the Mining Council, in regulatory proposals for universal access to mining operations for people with disabilities.

I would also like to highlight that 88% of our workers have a positive perception of our diversity and inclusion culture, according to the employee engagement survey conducted in 2021 in our corporate offices and Antucoya.

Very sadly, after 33 months without a fatality, this year a worker lost his life at Los Pelambres. What are your reflections on this tragic accident?

We deeply regret the fatal accident in July of Mr. Fernando Silva López (RIP), who worked for a contracting company at Los Pelambres. After this painful event, it is impossible not to reflect on the impact that this has on the entire company, not only the loss of life and the effects that this has had directly on the work teams, but also because of the lessons we need to make sure are learned when it comes to occupational health and safety (OHS).

A multidisciplinary committee with representatives from our operating companies performed an exhaustive investigation to ascertain what the deviations were from our OHS risk management system and to be able to formulate corrective actions, learn collectively and prevent these events from happening again. Following this exercise, we designed a work plan to strengthen different OHS system tools,

including those related to planning and supervision, particularly of critical tasks.

As a Board of Directors, it is our mission to guarantee safe working conditions for all our workers, both our own employees as well as contractors, so we will continue to work on reinforcing critical controls and their strict compliance, as well as that of our safety systems, which are key to promoting behavioural changes throughout the organisation.

The company had to deal with the COVID-19 pandemic for a second consecutive year. What can you highlight in this area?

As an organisation, the experiences and lessons learned after the first year undoubtedly helped us to increase resilience, which put us on a better footing to face the second year of the pandemic. Here, I would like to underscore our employees' adherence to the established prevention protocols and also our health and safety teams' good handling of the situation.

An interesting point that I would like to emphasise is that the first year of the pandemic revealed the vital role that digitalisation plays in communities' wellbeing. Overnight, many people were deprived of opportunities to work, study and interact socially, either because of the lack of internet coverage in remote areas or because of the costs of acquiring digital devices or data. We also realised that the lack of digital skills is another obstacle.

This is why, in the second year of the pandemic, we launched a digital connectivity programme that we call *En Red-Comunidad Digital*. It aims to integrate neighbouring communities into the digital transformation era to broaden their horizons and accelerate access to the social and economic benefits offered by technology.

Sustainable management is a priority for Antofagasta Minerals. How do responsible production initiatives contribute to this?

For a few years now, different organisations worldwide have been working on a number of initiatives to assure or certify that minerals

production is carried out responsibly. This has been primarily driven by consumers of manufactured goods that contain metals.

Copper has not been an exception, and in this context responsible production frameworks have been developed such as the Copper Mark, the ICMM Performance Expectations and the London Metal Exchange (LME) Passport. These seek for copper mining companies to undergo demanding due diligence processes to demonstrate that their production practices are economically, environmentally and socially sustainable.

In the last two years, we have taken part in these processes to assure our different stakeholders of our responsible management, and to work on those aspects that we can improve.

Centinela and Zaldívar obtained The Copper Mark seal in 2021, and Los Pelambres and Antucoya will be evaluated in 2022. We also conducted the ICMM Performance Expectations self-assessment process for our four companies in 2021.

Our approach to sustainability

At Antofagasta Minerals, we are committed to making a long-term positive impact on society. Sustainability is core to how we work, enabling us to conduct mining in a way that is economically, socially and environmentally responsible.

Sustainability, together with safety, is one of the five key pillars of our strategy to develop mining for a better future. Similarly, safety and health, and a commitment to sustainability, are two of our six core values. This focus reflects our aim to create shared value for all our stakeholders by generating social and economic benefits for the communities and regions in which we operate, and ensuring the viability of our business in the long run.

Our Sustainability Policy and our Human Rights Policy set out the commitments and principles that guide our day-to-day actions on economic and environmental, social and governance (ESG) matters. The framework covers how we run our business, identify, control and mitigate risks and impacts, and engage with stakeholders.

We dedicate significant resources to addressing climate change, which we regard as one of the greatest challenges of our times. In 2021, we set a target of achieving carbon neutrality by 2050, or sooner if the development of technology permits, and to cut our Scope 1 and 2 emissions by 30% by 2025.

The responsible and sustainable production of copper, our main product, is also part of the climate change solution. It is a critical input for the low-carbon technologies, such as electromobility and renewable energy, that are essential to reduce global emissions and is an innately sustainable metal due to its ability to be continually recycled and reused.

We apply rigorous standards and best practices to address the complex sustainability challenges that mining, by its very nature, presents. The Board is responsible for leading and monitoring sustainability practices, assisted by the Sustainability and Stakeholder Management Committee whose recommendations ensure that ESG issues are included in the Board's deliberations.

We seek to ensure the whole organisation's alignment behind our commitment to sustainability through communications, regular training and by setting annual sustainability goals (see page 68), which are included in



annual bonus agreements. In 2021, safety, diversity and inclusion, environment and social performance indicators accounted for 20% of performance targets.

In 2021, we updated our Sustainability Policy to incorporate the comments received in the self-evaluation and third party evaluations of the Copper Mark assurance process.

We are working on the update of our Human Rights Policy, which we expect to be approved in 2022. We also plan to prepare and submit for approval an Indigenous Peoples Engagement Standard in 2022.

ESG disclosure

In 2021 Centinela and Zaldívar received the Copper Mark, an independent, external assurance of compliance with strict, internationally recognised, sustainable production standards. Los Pelambres and Antucoya began the voluntary accreditation process at the end of the year.

Inspired by the UN's Sustainable Development Goals (SDGs), the Copper Mark was launched in March 2020 and involves the independent verification of activities at copper-producing sites based on 32 criteria in five categories: governance, labour rights, environment, community and human rights. It provides a simple and credible assurance process of sites' responsible mining practices.

Our four mining companies also completed the initial self-assessment against the International Council on Mining and Metals' (ICMM) Performance Expectations. We expect the associated independent audits of these four operations to be carried out in 2022.

For more information on the ICMM and Copper Mark, respectively, see pages 64-65 and 66-67.

In 2021, we also complemented our regular Annual and Sustainability Reports with reports on specific topics to provide an extra level of disclosure and demonstrate how our strategies, policies and targets are supported by concrete actions as well as how we measure the impacts of these activities.

In September, we published our first progress report on the implementation of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), providing an overview of our TCFD-related work and climate change response.

The TCFD was created in 2015 by the Financial Stability Board (FSB), an international body that monitors and makes recommendations about the global financial system, to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders.



Likewise, in the last quarter of the year, we published reports on climate change and our social management practices to raise our transparency standards and in response to requests for increased disclosure on these matters by analysts, investors and non-governmental organisations (NGOs).

Creating value for stakeholders

At Antofagasta Minerals, we are committed to building lasting and sustainable relations with our different stakeholders through transparent and effective dialogue that is mutually beneficial for all parties.

Our first priority is to provide a safe working environment for all our employees and contractors by putting their safety and health first. Our People strategy also strives to create a workplace that enables employees to achieve their maximum potential, facilitates a healthy work-life balance and fosters diversity and inclusion.

We work closely with contractors in the application of the same standards we apply for our own employees. In the case of large suppliers, we consider certain ESG parameters when awarding contracts and are starting to foster the adoption of ESG standards among local suppliers.

Our mining operations aim to recruit locally and support local jobs by preferring suppliers from the regions where we operate. Large suppliers from outside the regions where we

operate are also encouraged to hire local people through key performance indicators or other mechanisms.

We engage with communities based on a multi-actor approach under which we establish joint working groups to define priorities, projects and programmes that aim to generate the sustainable development of the regions where we operate, built on a vision created together.

The aim is to work in alliance with others – such as local government, other companies and NGOs – to contribute to lasting social and economic benefits in our areas of influence that extend beyond jobs and taxes to include skills and enterprise development and better access to health and education services, as well as improved infrastructure and public spaces.

In 2021, we approved a programme to focus on the digital transformation of our communities to create deeper, long-term change.

Our commitment to sustainability behoves us to use the resources our operations require, such as water and energy, efficiently and responsibly, opting for solutions with the least socio-environmental impacts.

As part of our Climate Change Strategy, we have set ambitious goals on emissions and water use, as well as the resilience of our operations and their areas of influence.

Through our environmental management, we seek to prevent, control and mitigate any environmental impacts we may have and, if they occur, to remediate and compensate appropriately.

We believe our focus on sustainability is a source of value creation and is essential in our mission to achieve the long-term sustainability of our operations and the sustainable development of our host communities.

Our commitment to the Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by all United Nations Member States in 2015 as a universal call to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. At Antofagasta Minerals, we are committed to playing our part in achieving the SDGs through policies and programmes, and ambitious targets, that create shared value and contribute to the sustainable development of the regions where we operate.



NO POVERTY

End poverty in all its forms everywhere

We contribute to the reduction of poverty through the distribution of the economic value generated, such as wages and taxes, and our social investment programmes. We require contractors to pay their employees an ethical monthly minimum wage of Ch\$515,000, 53% higher than Chile's legal minimum wage. In response to COVID-19, we have focused on protecting jobs, alleviating social hardship and supporting local businesses with measures that range from relief in the form of vouchers to be spent in local shops to grants for small businesses.



GOOD HEALTH AND WELLBEING

Ensure healthy lives and promote wellbeing for all at all ages

For Antofagasta Minerals, the safety and health of our employees, contractors and nearby communities is non-negotiable and takes precedence over results. Our Occupational Safety and Health Strategy aims for zero fatal and serious accidents and zero occupational health illnesses. Our Flexitime and Work-Life Balance Guidelines seek to improve our employees' work experience and life quality. In addition, since the start of COVID-19, we have made available a fund of \$12 million for community healthcare and prevention measures.



QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

We support inclusive access to quality education to improve job opportunities in the regions where we operate. Initiatives range from school and higher education scholarships to providing and strengthening technical-professional training. We offer Young Graduate programmes as well as apprenticeships and internships to provide learning and work experience opportunities to young people from, where possible, the regions where our mines are located. As an example, in 2021 162 young professionals graduated from the Catholic University of the North's (UCN) Technical Training Centre in the Choapa Province, as a result of an alliance between the UCN and Fundación Minera Los Pelambres.



GENDER EQUALITY

Achieve gender equality and empower all women and girls

Our Diversity and Inclusion Strategy seeks to increase the participation and retention of women in the workforce. This is reflected in our recruitment and selection strategies, the promotion of inclusive workspaces and our zero tolerance policy on sexual harassment. In 2021, 97 female employees took part in career development programmes and women represented 77% of 152 new apprentices and 36% of all new recruits.



CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all

All our operations are in water-stressed areas. In a bid to protect the resource's availability for our own operations, local communities and the environment, we apply water management practices aligned with the International Council on Mining and Metals' (ICMM) Water Stewardship Framework. Our Antucoya and Centinela mines use mainly raw sea water and Los Pelambres will start using desalinated water in 2022. We anticipate that by 2025 raw or desalinated sea water and reused and recycled water will account for more than 90% of our operational water use. Our work with communities to ensure the provision of water for human consumption and irrigation is a key focus of our social contribution in the Choapa Province.



AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all

As part of our Climate Change Strategy, we have renegotiated our power purchase agreements in order to switch from conventional to renewable energy sources. In July 2020, Zaldívar became the first of our operations to use 100% renewables. In January 2022, Antucoya and Centinela will switch to 100% renewably-generated electricity and, later in the year, Los Pelambres will follow, with the exact date depending on the ramp-up of a hydroelectric project being built by a third party. We anticipate that by the end of 2022 our mining operations will be using electricity solely from renewable sources.



DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Our Code of Ethics and Human Rights Policy aim to ensure a harassment-free, inclusive workplace that respects human rights and diversity. We are also governed by the UK Modern Slavery Act. Our People strategy seeks to promote a diverse and inclusive culture that allows employees to meet their full potential and prepares them for the future world of work. In 2021, we spent \$1.5 million on training initiatives. Our Procurement department is working with suppliers to support the adoption of environmental, social and governance (ESG) best practice in the supply chain.



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Innovation is one of the five pillars of our Strategy to develop mining for a better future. We foster innovation among stakeholders through our InnovaMinerals open platform, participation in the Industrial Weeks for Innovation in the city of Antofagasta and pitch days for technology companies at our operations. In 2021, as part of our Digital Transformation Programme, we began training programmes on Centinela's integrated remote operations management centre in Antofagasta, which is expected to start full operations in 2022, and on the operation of autonomous trucks.



REDUCED INEQUALITIES

Reduce inequality within and among countries

Antofagasta strives to promote educational opportunities, skills development and job openings for local people and businesses in the regions where we operate. We contribute to reducing inequality by providing help in the form of scholarships and educational support to promote social mobility in remote and vulnerable sectors. In 2021, we provided 197 scholarships to students in our areas of influence in the Antofagasta Region and the Choapa Province.



SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable

Through our Social Management Model, we choose, develop and implement social investment projects together with local communities, strengthening local leadership and the long-term impact of the initiatives. We work with local authorities, communities and third-party experts to improve public spaces and social cohesion in communities. Our Recreo and Promueve programmes in the Choapa Province specifically seek to improve public spaces and enhance social cohesion.



RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

Our Sustainability Policy establishes the basis for the responsible management of our activities. In 2021, our Centinela and Zaldivar operations were awarded the Copper Mark, the copper industry's new responsible production assurance framework, and Los Pelambres and Antucoya will be assessed in 2022. Our Procurement department is strengthening due diligence on suppliers to cover ESG topics more broadly and has begun to include our internal carbon price in large contracts.



CLIMATE ACTION

Take urgent action to combat climate change and its impacts

We recognise climate change as one of the greatest challenges facing the world today and acknowledge our responsibility to be part of the solution. As a copper producer, we supply an input that is critical for low-carbon technologies and, at the same time, we are working to decarbonise our operations. In 2021, we made important progress on implementing our Climate Change Strategy, approved in 2020, which sets ambitious goals for emissions and water use, as well as the resilience of our operations and their areas of influence. In May, we announced our target to achieve carbon neutrality by 2050, or sooner if the development of technology permits, and to cut our Scope 1 and 2 emissions by 30% by 2025.



LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Centinela and Los Pelambres monitor the marine environment in the vicinity of their port facilities, studying the water column, sediments and marine fauna. Through a public-private programme led by the Chilean government's economic development agency, CORFO, Los Pelambres participates in R&D projects to repopulate the area near its port and desalination plant facilities with sea urchins, abalone, red kingclip and other species.



LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Our Biodiversity Standard is aligned with the ICMM's position statement on Mining and Protected Areas and has three goals: to prevent or minimise impacts on biodiversity, to restore or provide appropriate compensation for any impact, and to generate additional benefits for the areas where we operate. It is a key part of our Climate Change Strategy, seeking nature-based solutions (NbS) both for the capture of CO₂ and for adaptation to physical risks. We implement programmes to protect animal, bird and plant species in both the Antofagasta and Coquimbo Regions and administer almost 27,000 hectares of nature sanctuaries and protected areas in the Choapa Province, equivalent to seven times that used by Los Pelambres and its related installations.



PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Antofagasta's activities conform to the UK's Bribery Act and Modern Slavery Act as well as Chilean Law No 20.393 on bribery and asset laundering. Our Code of Ethics, Compliance Model and Crime Prevention Manual define how we undertake our business in a responsible, accountable, honest and transparent manner and we conduct annual training for departments with higher exposure to risk on these matters.



PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalise the global partnership for sustainable development

We promote the creation of public-private alliances, taking advantage of our partners' experience and strategies to contribute to the achievement of the SDGs in the regions where we operate. Our partners include the state, Chilean and international trade associations, other mining companies and/or industry groups, civil society, academic institutions and NGOs. In particular, we use alliances, mostly with local or national foundations, to implement our social programmes which, in many cases, leverage or complement government programmes.



For more information on these initiatives, see the Safety and Health, People, Communities, Suppliers, Climate Change and Environment sections of this report.

Our strategic framework

Our Strategic Framework is designed to ensure the full alignment of our activities with our purpose of developing mining for a better future

Antofagasta Minerals is totally committed to what we have defined as our Purpose: Developing Mining for a Better Future. This Purpose is supported by a Strategic Framework through which we seek to achieve our Vision.

The Strategic Framework comprises three elements: Strategy or, in other words, what we do in pursuit of our Purpose; Organisation or the way we manage our work; and Culture or how we work as expressed principally in our Charter of Values. Our Strategy is, in turn, divided into five pillars: People, Safety and Sustainability, Competitiveness, Growth and Innovation.



STRATEGY

For each of the pillars of our Strategy, we have defined long-term objectives with short and medium-term goals.

- People
- Safety and sustainability
- Competitiveness
- Growth
- Innovation

PEOPLE

People are the core of our business. We want our employees to feel recognised and to have the maximum opportunities for personal and professional growth.

For more information, see page 36 of this report.

SAFETY AND SUSTAINABILITY

Our employees' safety and health are a non-negotiable value. We manage resources efficiently and are sensitive to the threats posed by climate change. We view sustainability as a source of value creation that is an integral part of our decision-making processes.

For more information, see page 10 and 11 of this report.

COMPETITIVENESS

Our key focus as regards competitiveness is to achieve productivity gains through control of costs and the streamlining of our processes.

For more information, see page 16 of this report.

GROWTH

We have a portfolio of projects that allows us to remain competitive and develop sustainable operations in the long term.

For more information, see page 22 of this report.

INNOVATION

We innovate as a means of improving social, environmental and economic conditions while, at the same time, delivering strong returns for our shareholders.

For more information, see pages 13, 38, 49 and 53 of this report.

CULTURE

Culture represents our shared values and the way we work. It is evident not only in our people but also in how we engage with local communities and our suppliers, partners and customers. Our culture is underpinned by and reflected in Our Charter of Values.

ORGANISATION

The way we organise our activities is paramount in achieving our goals. Our structure is designed to deliver results and growth whilst also having the flexibility to adjust to the challenges and opportunities we face.

Our Charter of Values

RESPONSIBILITY FOR SAFETY AND HEALTH



We are responsible for our own safety and health and that of others. We identify and control our risks and are aware of the impacts of our actions.

EXCELLENCE IN OUR DAILY PERFORMANCE



We constantly strive to achieve the best results through operational discipline. We take care of our resources, we are efficient, austere and honest. We build trust by fulfilling our undertakings.

RESPECT



We respect people, their opinion matters to us and we, therefore, interact in an open, transparent and collaborative way. We trust others and are genuinely interested in their wellbeing. We foster a workplace that promotes diversity and inclusion.

WE ARE FORWARD-THINKING



Our business strategy seeks to generate value in the long term for both our shareholders and other stakeholders. We learn from our mistakes and have the flexibility and confidence to address changing challenges.

COMMITMENT TO SUSTAINABILITY



We operate in a responsible and efficient way with a long-term outlook. We maximise the economic value of our assets, we contribute to social development and we minimise our environmental impacts.

INNOVATION IS A PERMANENT PRACTICE



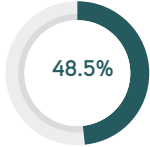
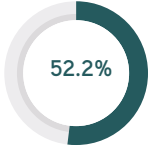

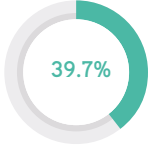

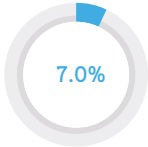
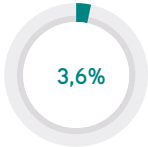
We recognise and foster new ideas that enable us to improve our working practices and the way we engage with others. We seek to create value for the organisation, people and society.

/ Our business

We are a mining group that produces copper

Antofagasta Minerals is owned by the Antofagasta plc mining group and is one of the tenth largest copper producers in the world. We operate four copper mines in Chile, two of which produce significant volumes of molybdenum and gold as by-products. We also have a portfolio of growth opportunities.

In 2021, we produced 721,500 tonnes of copper of which 71% were in concentrates and 29% in cathodes.

	REVENUE ¹	EBITDA ²
LOS PELAMBRES 60% owned 13-year mine life Produces copper concentrates, containing gold and silver, and a separate molybdenum concentrate Exports concentrates from 100%-owned Puerto Punta Chungo in Los Vilos	\$3,621m  48.5%	\$2,526m  52.2%
CENTINELA 70% owned 42-year mine life Produces copper cathodes and concentrates, containing gold and silver, and a separate molybdenum concentrate Exports cathodes from third-party owned Antofagasta and Mejillones Ports and concentrates from 100%-owned Centinela Port in Michilla	\$2,981m  39.9%	\$1,919m  39.7%
ANTUCOYA 70% owned 22-year mine life Produces copper cathodes Exports cathodes from third-party owned Antofagasta and Mejillones Ports	\$698m  9.3%	\$337m  7.0%
ZALDÍVAR 50% owned (and 100% operated) 14-year mine life Produces copper cathodes Exports cathodes from third-party owned Antofagasta and Mejillones Ports		\$173m  3.6%
ANTOFAGASTA MINERALS	\$7,300m	\$4,768m

1. Revenue is not included for Zaldivar as it is a joint venture and not consolidated in accordance with the International Financial Reporting Standards for Consolidated Financial Statements.

2. Adds to more than 100% as excludes \$187 million of corporate costs, exploration and evaluation, and other non-operating income and expenses. See note 2 to the financial statements in Antofagasta plc's Annual Report 2021 on pages 178-185.

3. A measure of the cost of operating production expressed in US dollars per pound of payable copper produced.

About Antofagasta plc

Antofagasta plc is listed on the London Stock Exchange and forms part of the FTSE 100. It is included in sustainability indexes such as the DJSI, FTSE4Good and STOXX Global ESG Leaders. The Luksic family controls approximately 65% of the Group's ordinary shares and institutional and individual investors hold the remaining 35%.

Mining represents over 97% of the Group's revenue and EBITDA. The Group also wholly owns Ferrocarril de Antofagasta a Bolivia (FCAB), which provides rail and road transport services in northern Chile, mainly for mining customers, including cathodes from our own operations.

COPPER PRODUCTION (TONNES) AND NET CASH COSTS ³			
2021	2022 FORECAST		GROWTH POTENTIAL
324,700 \$0.89/lb	290-300,000 \$1.25/lb		LOS PELAMBRES EXPANSION Phase 1 will increase annual production by 60,000 tonnes. Completion in H2 2022 Phase 2 will increase the capacity of the desalination plant and extend the mine life by 15 years
274,200 \$1.13/lb	245-255,000 \$1.60/lb		CENTINELA EXPANSION Opening Esperanza Sur pit in 2022, which will increase annual production by 10-15,000 tonnes per year Evaluating building a second concentrator. Decision in late 2022
78,600 \$2.04/lb	75-80,000 \$2.30/lb		MINE LIFE EXTENSION Potential to process satellite ore bodies
44,000 \$2.39/lb	50-55,000 \$2.20/lb		MINE LIFE EXTENSION Assessing viability of leaching the primary sulphide ore body Chloride Leach project completed in January 2022, increasing annual production by 10-15,000 tonnes
721,500 \$1.20/lb	660-690,000 \$1.55/lb		



How we engage with our stakeholders



OUR PEOPLE

Over 25,000 people (direct employees and contractors' employees) work at our operations, projects, exploration programmes and corporate offices. They are almost all based in Chile.

COMMUNITIES

We operate in Chile's Antofagasta and Coquimbo Regions where our neighbours include a range of communities around our mines as well as on the coast near our port facilities.

SUPPLIERS

We work with over 1,200 suppliers of which 97% are based in Chile. They provide a broad range of products and services, from large mining equipment to catering and transport services.

Why we engage

Constructive relationships, anchored in mutual respect and transparency, are crucial for a good work climate and talent retention as well as for productivity and efficiency. Through our engagement with contractors, who are essential for operational continuity, we seek to transfer knowledge and ensure compliance with our own standards, particularly on safety and health.

Why we engage

The wellbeing of local communities is directly related to the sustainable development and success of our business. Through a bottom-up approach to engagement, we seek to grow together with these communities and contribute to their long-term social and economic development, whilst also taking care to prevent, mitigate and compensate for any adverse impact our activities may have.

Why we engage

Suppliers play a critical role in our ability to operate sustainably and safely. Through our engagement with them, we seek to improve their sustainability performance and ensure they meet our standards and guidelines on sustainability matters. We also work with suppliers to ensure that they offer us cost-effective and efficient solutions.

How we engage

Our mechanisms of engagement with our workforce include regular site visits by senior management, on-site reviews, work climate surveys and performance evaluations. We also offer technical training, career development opportunities and foster a culture of knowledge. Regular meetings take place with unions and contract managers as well as on specific topics such as safety and health.

See pages 36-39 for more information.

How we engage

We engage with communities through different social programmes, often implemented in alliance with local foundations. Initiatives are selected and designed together with the community through working groups on specific areas of community development or concerns.

See pages 42-49 for more information.

How we engage

The procurement team regularly meets with suppliers. Tenders take place through an online platform, designed to guarantee fairness and transparency. To ensure the broadest possible access to tenders, we use an automated invitation system and participate in different external platforms. By prioritising local suppliers, we seek to foster the development of neighbouring communities.

See pages 34-35 for more information.

Our engagement with stakeholders is open, transparent and collaborative in order to support the long-term success of our business. We use appropriate mechanisms to interact with them, provide them with information and learn about their interests and concerns.



CUSTOMERS

We sell principally to industrial customers, who refine or further process our copper concentrate and cathodes.

SHAREHOLDERS

Shareholders are the companies, financial institutions and individuals that hold a stake in the Company. They are entitled to receive dividends and to vote at shareholder meetings on certain matters, including the election of the Company's directors.

GOVERNMENTS AND REGULATORS

Governments and regulators at national, regional and local levels, draft, implement and uphold legislation, rules and regulations, setting the framework within which we operate.

Why we engage

Most sales are made under long-term framework agreements or annual contracts with sales volumes agreed for the following year. Without these long-term customer relationships, we would have to sell a larger proportion of our cathodes and concentrate through traders on the spot market, with greater uncertainty about pricing and volume.

Why we engage

Shareholders, and particularly institutional investors, are constantly evaluating their holdings in the Company and require regular information about its strategy, projects and performance. We, therefore, pay special attention to how we communicate with them, maintaining fluent and transparent dialogue enabling them to receive all the relevant information.

Why we engage

Mining is a long-term business and timescales can run into decades. Political cycles are typically far shorter and material developments and changes to policy, legislation or regulations can have a major impact on the business.

How we engage

We hold regular meetings with customers around the world. Some of our major customers are also equity holders in our mining operations. The Chairman and several directors visit Japan each year to meet our partners. We also have a marketing office in Shanghai.

For more information, see our Annual Report 2021 available on www.antofagasta.co.uk

How we engage

We regularly meet with institutional investors and brokers' analysts at industry conferences and roadshows, as well as in one-on-one meetings. Members of the Board attend the Company's Annual General Meeting, either physically or virtually, and are available to answer questions. The Company also provides regular production and financial reports and other ad-hoc information.

For more information, see our Annual Report 2021 available on www.antofagasta.co.uk

How we engage

We work alongside mining associations and other industry-related bodies to engage with governments on public policy, laws, regulations and procedures that may affect our business. We engage with governments and regulators strictly within their engagement mechanisms which, in Chile, are clearly defined in Law N° 20.730 on lobbying.

For more information, see our Annual Report 2021 available on www.antofagasta.co.uk

Collaborative solutions to common challenges

At Antofagasta Minerals, we form alliances with public and other private actors to address key industry challenges and to increase the reach and efficiency of our social investment projects and initiatives.

Public-private alliances and working together with other private actors, within and beyond the mining industry, are a key part of the way we manage our business. We partner in projects, such as the Antofagasta Mining Cluster, that promote the development of areas where we have our operations. We are also members of organisations that, like Chile's National Hydrogen Association (H2 Chile) and the International Council on Mining and Metals (ICMM), enable us to join forces with other companies to address industry challenges such as the need to reduce greenhouse gas emissions.



ANTOFAGASTA MINING CLUSTER

We have an important alliance with the Antofagasta Mining Cluster, a vehicle for fostering the long-term economic and social development of northern Chile's Antofagasta Region. In December 2018, we became the first mining company to join this public-private alliance, which now includes other mining companies and suppliers as well as government agencies and educational institutions. Our work is focused on two of the Cluster's strategic pillars: the creation of regional human capital and the development of innovative suppliers.

In 2021, we continued to invest in educational and training initiatives for the region's

inhabitants, ranging from students at technical schools and universities to neighbours of our operations. In parallel, we work with local universities with which we have 12 joint programmes.

In the case of the promotion of innovation, we have our own InnovaMinerals open collaboration platform and also participate in Expande, a national public-private programme to foster innovation in mining. On supplier development, we work closely with government agencies as well as with other private-sector organisations such as the Antofagasta Industrialists' Association (AIA).

ICMM

Antofagasta Minerals actively participates in the International Council on Mining and Metals (ICMM) and is committed to its ten principles, each with its own set of Performance Expectations, on environmental, social and governance matters. The ICMM, which brings together the world's largest mining companies, promotes sustainable mining, develops standards and encourages its members to adopt best practices

The ICMM was one of the organisations that, in the wake of the failure of two tailings deposits in Brazil, convened the Global

Tailings Review, which concluded in August 2020 with the publication of new Global Industry Standard on Tailings Management. We are now working to implement this standard at our three operations with tailings storage facilities: Los Pelambres, Centinela and Zaldívar.

In 2021, our four mining operations completed the initial self-assessment against the ICMM's Performance Expectations. We expect the associated independent audits of these four operations to be carried out in 2022.

QUITAI-ANKO

We are co-financing the Quitai Anko research consortium, which won a bid in 2019 to implement a five-year programme to develop sustainable solutions to water-related challenges. The project, led by the University of La Serena, is initially focusing on solutions for the Choapa Valley, where Los Pelambres is located, but with a view to their subsequent application in the rest of the Coquimbo Region and the neighbouring Atacama and Valparaíso Regions.

The consortium has five main lines of work

that include the development of a model to monitor the water balance in the Choapa Valley's aquifer and an online integrated information system to manage the supply and quality of rural drinking water. It also envisages a pilot project to assess the feasibility of aquifer recharge.

During the year, the consortium also held a number of technical and outreach seminars, including workshops on the Choapa, Chalinga and Illapel Rivers for irrigators in Salamanca and Illapel.

CONECTA 2021 BUSINESS RECOGNITION – GLOBAL COMPACT

In 2021, the UN Global Compact network in Chile highlighted business initiatives for their commitment and contribution to the 2030 agenda in seven categories. Los Pelambres was recognised in the Alliances category for its water resources initiatives under the *Somos Choapa* framework. In particular, the APRoxima and Confluye programmes were emphasised (for more

information, see page 50).

The awarded initiatives are those that meet the requirements for publication on the Conecta platform, a tool developed by Global Compact to gather, classify and provide relevant information about programmes developed by businesses with regards to the UN Sustainable Development Goals.



HYDRA CONSORTIUM

Under our Electromobility Plan, we are partnering with the Hydra Consortium, an initiative that is exploring the use of hydrogen in mine haulage trucks to reduce greenhouse gas emissions. Work to switch mine haulage trucks from diesel to hydrogen will take a major step forward in 2022 when the Hydra Consortium tests a fuel cell and battery powertrain prototype at our Centinela mine. The tests will provide valuable information about the technology's performance under real mining conditions. In addition, they will help to establish safety protocols for

hydrogen use at scale in mining, which will be vital for the fuel's successful deployment.

Hydra was formed in mid-2020 when energy multinational Engie joined forces with Mining3, a leading mining industry research organisation, to create hydrogen solutions for the mining industry. It has since been joined by other companies, including Antofagasta Minerals, Mitsui & Co and Reborn Electric Motors. It is supported by a Ch\$252 million grant from CORFO, the Chilean government's economic development agency.

MINING COUNCIL

We are members of Chile's *Consejo Minero* (Mining Council), an association of the country's large-scale mining companies, which promotes the industry's sustainable development. The chairman of our Board, Jean-Paul Luksic, and our CEO, Iván Arriagada, are directors of the Mining Council. In 2021, René Aguilar, our Vice President of Corporate Affairs and Sustainability, chaired its Social Environment and Communications Committee, while Ana María Rabagliati, our Vice President of Human Resources, and Rodrigo Moya, Project Manager, were the vice-chairs of its Human Capital Committee and Tailings Deposits Committee, respectively.

In 2021, the Mining Council focused on developing the *Compromiso Minero* (Mining Commitment) initiative, a network of over 90 national mining organisations that work together to make the sector increasingly innovative and inclusive and a key player in the sustainable development of the country.

In the context of the process to write a new constitution, it led the presentation of a proposed article called "For Sustainable Mining in Chile" which received more than 24,000 signatures of support and was discussed by the convention's Environment Committee.

REDEAMÉRICA

Our Los Pelambres foundation, Fundación Minera Los Pelambres, is a member of RedEAmérica, a network that promotes the construction of sustainable communities in Latin America, through private social investment in initiatives that create social value. The network seeks to create dialogue and share learnings about strategies and best practices for business-community engagement and involvement.

In 2021, an expert jury from nine countries presented Los Pelambres and its foundation with the RedEAméricas Transformers Award

for their water resources and economic development initiatives which are part of the *Somos Choapa* programme. The award, in the Private Social Investment and Sustainable Communities category, recognises projects that show a commitment to understanding and providing sustainable solutions to address communities' social needs.

The network is comprised of 70 companies, business foundations and institutions in 12 countries in Latin America and the Caribbean.

MEMBERSHIPS

Antofagasta Minerals is a member of different international, national and regional organisations related to the copper mining industry and the sustainable development of the areas where we have our operations.

Antofagasta and Coquimbo Regions

- Antofagasta Mining Cluster
- Antofagasta Industrialists' Association (AIA)
- Mejillones Industrialists' Association (AIM)
- Corporación Chacabuco
- Corporación PROA
- Corporación PROLOA
- Fundación Gaviotín Chico
- Alianza Antofagasta
- Industrial Corporation for the Development of the Coquimbo Region (CIDERE)
- Coquimbo Regional Mining Council (CORMINCO)

National

- Consejo Minero (Mining Council)
- Sociedad Nacional de Minería (SONAMI)
- UN Global Compact network in Chile
- Acción Empresas, a local partner of the World Business Council for Sustainable Development
- Chilean Hydrogen Association (H2 Chile)

International

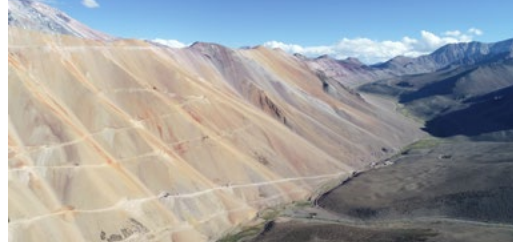
- International Council on Mining and Metals (ICMM)
- International Copper Association (ICA)
- International Molybdenum Association (IMOA)
- Mining & Metals Working Group of the World Economic Forum (WEF)

Creating value through the mining lifecycle

Mining is a long-term business and timescales can run into decades. The period from initial exploration to the start of production can exceed ten years and, depending on the nature of the project and the market conditions, it may take more than five years of operation to recoup the initial investment.

For geological reasons, copper deposits frequently have higher-grade material nearer the surface and grade declines with depth. This means that unless action is taken, such as an expansion, copper production declines as a mine gets older.

Also, as an open pit gets deeper, haulage distances and rock hardness increase, and this, combined with the declining grade, leads to higher unit costs. Large long-life mines will have several expansions during their lives. The current expansion at our 23-year-old Los Pelambres mine is its fourth.



INPUTS

Energy

 Water

 Labour

 Service contracts

 Fuel and lubricants

 Explosives

 Grinding balls and mill liners

 Sulphuric acid

 Our mining operations depend on a range of key inputs such as energy, water, labour, sulphuric acid and fuel and services such as catering. The management of these inputs has a significant impact on operating costs and the sustainability of mining operations, and ensuring the long-term supply of key inputs is a vital part of the business.

As part of our commitment to mitigating and adapting to climate change, all of our mining operations will use 100% renewable energy by the end of 2022 and more than 90% of our water consumption will be either sea, reused or recycled water by 2025.

EXPLORATION

Chile

 International

 To ensure the long-term sustainability of our mining business, we must focus on at least maintaining our mineral resource base.

We undertake exploration activities in Chile and abroad, with particular focus outside Chile on the Americas. Our international exploration programmes are generally carried out in partnership with other companies, in order to benefit from their local knowledge and experience.

Timespan: 3-5 years

EVALUATION

Los Pelambres Expansion – Phase 2

 Centinela Second Concentrator

 Twin Metals, Minnesota

 Effective project evaluation and design maximise value at this stage of the mining cycle.

Antofagasta’s wealth of experience in both areas helps to make the best use of mineral deposits. We integrate sustainability criteria into the design process and project evaluation phase, developing innovative solutions for challenges such as water availability, long-term energy supply and community relations.

Timespan: 5 years

CONSTRUCTION

Los Pelambres Expansion – Phase 1

 Centinela, Esperanza Sur pit

 Zaldívar Chloride Leach project

 Once a project has been approved by the Board, construction begins.

This stage requires significant input of capital and resources as well as effective project management and cost control to maximise the project’s return on investment.

We have a co-operative approach to developing projects. Typically, after the feasibility stage and before the construction phase, we seek a development partner to buy an interest in the project, generating an immediate cash return, diversifying risk and providing broader access to funding while we maintain operating control of the project.

Timespan: 3-5 years

CORE OPERATIONS



EXTRACTION

Los Pelambres

Centinela

Antucoya

Zaldívar

Antofagasta's four operations in Chile are Los Pelambres, Centinela, Antucoya and Zaldívar.

The world-class Los Pelambres and Centinela mining districts have sustainable long-life copper mining operations, with large mineral resources, and produce significant volumes of gold, silver and molybdenum as by-products. All of our mines are open pit operations.

Safety and health are key elements of operating efficiency and remain a top priority for the Board and management team.

Timespan: 20-plus years

PROCESSING

Antofagasta mines both copper sulphide and copper oxide ores, which require different processing routes:

CONCENTRATES

Los Pelambres and Centinela

Mined sulphide ore is milled to reduce its size before passing to flotation cells where it is upgraded to a concentrate containing 25–35% copper.

This concentrate is then shipped to a smelter operated by a third party and converted to copper metal.

CATHODES

Centinela, Antucoya and Zaldívar

Mined oxide ore, sometimes combined with leachable sulphide ore, is crushed, piled onto heaps and leached with sulphuric acid, producing a copper solution.

This solution is then put through a solvent extraction and electrowinning ("SX-EW") plant to produce nearly pure copper cathodes, which are sold to fabricators around the world.

MARKETING

The marketing team builds long-term relationships with the smelters and fabricators who purchase our products.

Approximately 60% of output by value goes to Asian markets.

As well as copper, Los Pelambres and Centinela produce significant volumes of gold, molybdenum and silver as by-products.

Copper is mainly used in construction, electrical networks and electrical appliances. Its exceptional ability to conduct electricity and heat efficiently makes it a key material to address climate change.

Gold and silver are sold for industrial and electronic applications and for jewellery making.

Molybdenum is used to produce steel alloys.

MINE CLOSURE

During the operation of a mine, its impact on the environment and the neighbouring communities is carefully managed. At the end of its life, a mine must be closed and remediated according to the international standards and national regulations in force at the time.

A closure plan for each mine is maintained and updated throughout its life to ensure compliance with the latest regulations and provide for a sustainable closure.

OUTPUTS

Copper

Molybdenum

Gold

Silver

Our mining operations create significant economic and social value for a wide range of stakeholders. Local communities benefit from job creation and improved infrastructure, while the Chilean government and local municipalities receive tax payments and royalties.

There are also benefits to society in general, with the copper we produce being used across many sectors, from industrial to medical, and increasingly playing a vital role in the world's major challenges such as sustainable urban development, the availability of clean energy and electromobility and green technologies.

Our copper and by-products go on to be further processed for use in end markets, including property, power, electronics, transport and consumer products.

Corporate governance

We are committed to the development of effective, accountable and transparent corporate governance and have established structures, policies and guidelines to ensure responsible management in line with best international practices.

Board of Directors

Antofagasta Minerals is wholly owned by Antofagasta plc whose Board of Directors, chaired by Jean-Paul Luksic, is its highest governance body. The Board’s ten directors, including six independent members, have a broad and complementary set of technical skills and wide-ranging experience. Its role is to promote the long-term, sustainable success of the Group, generating value for shareholders and contributing to wider society. It has established the Group’s purpose, values, strategy and risk appetite and monitors its culture as well as its performance against defined measures.

Key responsibilities of the Board

- Culture
- Strategy and management
- Governance
- Shareholder engagement
- Internal controls, risk management and compliance
- Financial and performance reporting
- Structure and capital
- Approval of material transactions

Board Committees

The Board is assisted in its responsibilities by five Board Committees to which it delegates certain activities as set out in their terms of reference. The Chair of each Committee reports to the Board following each Committee meeting, allowing the Board to understand and, if necessary, discuss matters in detail and consider the Committee’s recommendations. The terms of reference for each Committee are provided on the Group’s website: www.antofagasta.co.uk.

NOMINATION AND GOVERNANCE

AUDIT AND RISK

SUSTAINABILITY AND STAKEHOLDER MANAGEMENT

PROJECTS

REMUNERATION AND TALENT MANAGEMENT

The Board’s activities in 2021 addressed the challenges posed by the COVID-19 pandemic, protecting the health and safety of the workforce and local communities while ensuring operational continuity. In addition, the Board provided oversight on the pursuit of the Group’s strategy, confronting critical issues in a timely manner and advising management on the development of strategic priorities and plans, seeking to align them with the values of the Group and the best interests of our stakeholders.

For further information about corporate governance, the responsibilities, role and membership of the Board, as well as the priorities and measures adopted to develop and strengthen the Board’s collective knowledge on sustainability matters, see pages 102 to 163 of the Annual Report, available on www.antofagasta.co.uk.



CEO and Executive Committee

The Board has delegated day-to-day responsibility for implementing the Group's strategy and fostering the corresponding organisational culture to Iván Arriagada, CEO of Antofagasta plc. Mr. Arriagada is not a director, but is invited to attend all Board and Committee meetings and is supported by an Executive Committee, which he chairs.

The Executive Committee reviews significant matters and approves expenditure within designated authority levels. It leads the annual budgeting and planning processes, monitors the performance of the Group's operations and investments, evaluates risk and establishes internal controls and promotes the sharing of best practices across the Group.

The Executive Committee is assisted in its responsibilities by seven subcommittees.



Subcommittees of the Executive Committee

Members of the Executive Committee also sit on the boards of the Group's operating companies and report on the activities of those companies to the Board, the CEO and the Executive Committee.

- BUSINESS DEVELOPMENT
- CLIMATE CHANGE
- DISCLOSURE
- ETHICS
- OPERATING PERFORMANCE REVIEW
- PROJECT STEERING
- WATER, ENERGY & EMISSIONS MANAGEMENT



“ Jean-Paul Luksic
Chairman

The copper we produce will be a pivotal part of the transition to a low-carbon world. No less important than the metal itself is how we produce it. We view our responsibility as operating sustainably, reliably and with respect for communities and the environment to live up to our purpose, both in our products and practices, of 'Developing Mining for a Better Future'.

Sustainability and Stakeholder Management Committee

The Sustainability and Stakeholder Management Committee supports the Board in the stewardship of our environmental, social and safety and health programmes. It makes recommendations to the Board to ensure the views and interests of the Group's stakeholders are considered in the Board's deliberations.



Vivianne Blanlot

Chair of the Sustainability and Stakeholder Management Committee

Committee meetings provide a forum for the detailed discussion of many of the key issues that matter to our workforce (such as safety and health), local communities, national and local governments, regulators and other stakeholders.

The Committee reviews and updates the Group's policy framework on safety, health, environment, human rights and social matters and monitors the Group's performance in setting and meeting environmental, social, safety and occupational health commitments. It also provides guidance on how the Company should reflect the views and interests of stakeholders in relation to potential projects and other business matters. In addition, the Committee plays a key role in the oversight of Antofagasta Minerals' governance around climate change-related risks and opportunities.

In 2021, its main focus areas were:

- Overseeing measures to protect the health and safety of employees, contractors and local communities in response to the COVID-19 pandemic
- Endorsing key policies for the Group's long-term sustainable success
- Reviewing Climate Change Strategy implementation.

The Committee's regular interaction with the sustainability team enables it to provide timely guidance and support should the need arise.

Since 2017, the Committee has been chaired by an independent director, Vivianne Blanlot, who joined the Board in 2014. Its members are Jorge Bande, Juan Claro, Ramón Jara, Michael Anglin and Eugenia Parot. The CEO, Vice President of External Affairs and Sustainability and the Company Secretary regularly attend meetings, as do other Directors who are not members. The Committee meets as necessary and at least twice a year. In 2021, it held five meetings.

OTHER KEY ACTIVITIES IN 2021

Policies and commitments

- Reviewed the 2020 Sustainability Report, TCFD Progress Report and Climate Change Report.
- Reviewed the environmental and social aspects of our expansion projects at Los Pelambres and Centinela, including plans for Environmental Impact Assessments and citizen participation processes.
- Reviewed environmental matters relating to the Twin Metals project.
- Monitored the Copper Mark assessments, an assurance process for environmental, social and governance matters, of our mining operations.
- Reviewed the Committee's terms of reference.

Safety and health

- Reviewed safety and occupational health performance in 2021 and strategy and plans for 2022.
- Reviewed the strategy and monitored the effectiveness of protocols in response to the COVID-19 pandemic.
- Monitored safety performance, including high potential incidents.
- Reviewed the 2021 report issued by the independent technical review board appointed to advise the Group on the operation of its tailings storage facilities.

Community relations

- Reviewed the Group's Social Management Model.
- Monitored the implementation of a second \$6 million community support fund (following the implementation of the first \$6 million community support fund in 2020) designed to provide healthcare equipment, community initiatives and economic support to local entrepreneurs and businesses during the COVID-19 pandemic.
- Reviewed the Group's communications strategy and monitored results from the Group's communications activities.

Environment

- Reviewed environmental management reports.
- Reviewed environmental events and monitored mitigation steps.
- Reviewed environmental commitments related to the historical ownership of the Michilla mine.
- Reviewed jointly with the Audit and Risk Committee an assessment of the physical and transition risks of climate change and their impact on the net present value of the Group.
- Reviewed environmental reviews related to Zaldivar's water rights extension.

Sustainability Policy

At Antofagasta, we recognise that we have a responsibility to our stakeholders and to the environment in which we operate. We understand that mining is a long-term activity and we must always think and act with a forward-looking perspective. Our operations allow us to generate positive and lasting change and that is why we constantly seek new ways to develop more efficient, sustainable and inclusive mining.



PEOPLE

For Antofagasta, people's safety and health is a priority. Likewise, the wellbeing, motivation and development of our workers are a crucial part of the Group's value proposition. We recognise the importance of diversity and equal opportunities, leading us to permanently focus on the creation of environments that allow the integration and professional and personal development of our employees.



ECONOMIC PERFORMANCE

We are always looking for sustainable ways to improve our operational efficiency to ensure value creation for all our stakeholders. We operate in a responsible way, with a long-term vision, in order to maximise the economic value of our assets, contribute to social development and minimise our environmental impacts.



ENVIRONMENTAL MANAGEMENT

We permanently work to prevent, control and mitigate our potential environmental impacts and always seek to use natural resources efficiently. Environmental management systems are integrated into our business. We set objectives, goals and KPIs, striving towards continuous improvement and monitoring our environmental performance to address the most critical environmental challenges associated with the handling and management of water resources, air quality, biodiversity, waste, cultural heritage, land use, climate change and energy.



SOCIAL DEVELOPMENT

We seek to generate economic, social and human capital in our areas of influence. We initiate effective, participatory and transparent dialogue processes with the different stakeholders in the regions where we operate, acknowledging disputes and seeking opportunities to jointly address these issues and, thereby, generating a shared vision of development.



TRANSPARENCY AND CORPORATE GOVERNANCE

We believe in the importance of developing effective, responsible and transparent institutions. We have guidelines and internal regulations that establish our commitment to conduct our business in a responsible manner. We behave in an honest, transparent and respectful way with regards to human rights and the law. We openly report on our performance and implement systems that allow us to internally audit our procedures. In addition, we have control and management systems for the minerals that we use to manufacture the products that we provide to customers, in accordance with the OECD due diligence standards on the origin of minerals and the principles of responsible supply established in its Annex II.

Compliance and internal controls

The long-term sustainable development of our business is dependent on how we achieve our goals. We are committed to working with integrity and transparency and have zero tolerance for bribery and corruption.

At Antofagasta Minerals, we comply with all applicable anti-corruption and anti-bribery legislation and ensure the necessary controls are in place to prevent any unethical behaviour. A robust governance regime, including an Ethics Committee, open channels of communication, training and multiple layers of controls, are maintained at all our operations, projects and exploration activities, and in our third-party relationships.

Areas of focus and development during 2021

- Centralised whistleblowing investigations, providing independence and standardising the process
- Automated the due diligence process and began developing a new system to monitor potential conflicts of interest
- Feller Rate recertified the crime prevention model
- Updated the Code of Ethics and the Crime Prevention Manual
- Implemented a new method for rating and classifying complaints according to their severity
- All Directors and executives completed compliance e-learning
- Provided in-depth training and briefings in ethics and compliance, particularly for higher-risk areas such as procurement and community relations
- Trained new employees in the Compliance Model as part of their induction programme
- All employees updated their conflict of interest disclosures
- Held an Integrity Week for all employees and contractors, inviting some key suppliers to discuss the importance of our culture of ethics and integrity in the whole supply chain
- Conducted robust communication campaign as part of our focus on Prevention in our Compliance Model
- Included Compliance as a topic in the local Antofagasta suppliers day (see page 34).

Code of Ethics

The Code of Ethics sets out Antofagasta Minerals' commitment to undertaking business in a responsible and transparent manner.

The Code requires honesty, integrity and accountability from all employees and contractors and includes guidelines for identifying and managing potential conflicts of interest. It is the basis for the Compliance Model and supports the implementation of all other related activities.

Compliance Model

Antofagasta Minerals' Compliance Model applies to both employees and contractors. It is clearly defined and is communicated regularly through internal channels, as well as being available on our website. All employees receive training on the model and refresher and more detailed courses are given to higher-risk areas. All contracts include clauses relating to ethics, modern slavery and crime prevention to ensure contractors' adherence to our Compliance Model.

We actively promote open communication with all our employees, contractors and local communities. This helps ensure that our corporate and value creation objectives are achieved in an ethical and honest way.

The main focus of the Compliance Model is to prevent any irregular situations arising. It is reviewed regularly, both internally and by third parties, and on corruption-related matters it is certified under Chilean anti-corruption legislation.

Compliance Model



Prevention: We provide a series of tools and training opportunities to all employees and contractors to support appropriate behaviour through:

- Internal procedures
- Anti-trust guidelines (Politically Exposed Persons, facilitation fees, etc)
- Due diligence, including the review of conflicts of interest and of potential business partners
- Inclusion of anti-corruption clauses in contracts
- Training and communication

Detection: We have several tools to detect any potentially irregular situations, including:

- Whistleblowing channels
- Data analysis
- Regular due diligence
- Internal controls
- Internal audit

Action: If an irregular situation is detected, it is investigated according to Antofagasta Minerals' procedures. Each operating company has an internal Ethics Committee which reviews the conclusions of investigations and suggests action plans to the corporate Ethics committee. The performance of the compliance programme is reported every six months to the Audit and Risk Committee and to the Board.

The anonymity of employees using the whistleblowing channels is guaranteed, which safeguards individuals and achieves greater transparency.



Crime Prevention Model

Our Crime Prevention Model ensures compliance with anti-bribery and anti-corruption laws in the United Kingdom and Chile and is certified by an external entity. During 2021, a new offence was included in the Chilean anti-bribery and employment protection laws. This related to the non-observance of isolation or other preventive measures issued by the health authority in the event of an epidemic or pandemic. Our crime prevention model was updated accordingly and the related risk re-evaluated.

Chilean law requires a Crime Prevention Officer to be appointed at the corporate level and at each of our operations. The Crime Prevention Officer for Antofagasta Minerals is Patricio Enei, the Vice President of Legal.

The Board’s Audit and Risk Committee monitors compliance with the Compliance and Crime Prevention Models.

Due diligence highlights

During the year 6,533 suppliers were reviewed, of which 0.3% (22) were rejected. The main reasons for rejection were high financial/tax risks, non-compliance with Chilean Law 20.393 (Criminal Responsibility of Legal Entities) and non-compliance with Group guidelines.

Whistleblowing hotline

Antofagasta Minerals has a confidential whistleblowing channel (*Tu Voz*) to encourage employees and contractors to raise concerns about possible improprieties or non-compliance to the Ethics Committee. All reports are investigated and reported to the Audit and Risk Committee and the Board. Such reports detail the number and type of incidents, along with details of the most significant issues and the actions resulting from their investigation.

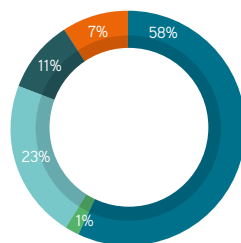
The Compliance area has standardised investigations, consolidated the centralised investigation model and added specialists and external resources, and strengthened each operation’s ethics committee.

Complaints received

A total of 438 allegations were received, of which 141 (32%) were ethics related and 297 (68%) were non-ethical concerns such as complaints about late payments to suppliers.

There were 15 Ethics Committee meetings during the year to consider the 141 ethics-related complaints, none of which were related to modern slavery.

Ethics-related complaints



- 82 harassment, abuse and mistreatment
- 2 bribery and corruption
- 32 fraud or misuse of property
- 15 conflicts of interest
- 10 other

Payments to government

Antofagasta Minerals makes payments to governments relating to our activities involving the exploration, discovery, development and extraction of minerals. These payments are primarily taxes paid to the Chilean government and mineral licence fees, which in 2021 totalled \$780 million of which 99.5% was paid in Chile.

Chilean law allows political donations to be made subject to certain requirements but we made no political donations in 2021. However, we often contribute towards the financing of projects benefiting local communities, in alliance with local municipalities and the government. These contributions are regulated by specific laws and are reviewed by the Chilean Internal Revenue Service (SII).

Our annual detailed Report on Payments to Governments is published on the Group’s website.

Modern Slavery Act

In compliance with the UK’s Modern Slavery Act 2015, the Group annually publishes a statement setting out the steps taken to ensure that slavery and human trafficking are not occurring in its supply chain or in any part of its business. This statement is available on the Group’s website:

www.antofagasta.co.uk/modern-slavery-statement/

Human Rights

In 2020, we formally introduced a Human Rights Policy, based on a due diligence of human rights. It sets out the fundamental elements of our approach to human rights, establishing how we relate to employees, contractors, suppliers, business partners, nearby communities and other parties directly related to our operations. It applies to all the Group’s companies, which will also seek to ensure compliance by contractors and other companies in our supply chain.

For further detail, see our [Human Rights Policy](#).

Risk management

Effective risk management is an essential part of our culture and strategy. The accurate and timely identification, assessment and management of key risks give us a clear understanding of the actions required to achieve our objectives.

Our risk management methodology is applied to all our operating companies, projects, exploration activities and support areas so that we have a comprehensive view of the uncertainties that could affect us in achieving our strategic goals.

Focus in 2021

Our main focus in 2021 was on climate change risk analysis and the COVID-19 restrictions required at our operations. We implemented the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations using their risk designation for climate change risks divided into two categories: risks related to the impact of the transition to a low-carbon economy, and risks related to the physical impact of climate change. Key physical and transition risks were identified, and certain controls and action plans were agreed.

We also maintained our commitment to review and update our key risks, according to our risk methodology. In addition, our Risk and Compliance Management Department organised an external independent risk evaluation of the Group's risk management maturity levels and action plans were defined.

Governance

Antofagasta Minerals is aware that not all risks can be completely eliminated and exposure to some risks is necessary in pursuit of our strategic objectives. Our risk management framework aims to identify, assess and put in place appropriate preventive and mitigating measures to control these risks.

The Board has overall responsibility for risk management and determines the nature and extent of the key and emerging risks that we will accept in order to achieve our strategic objectives. It receives detailed analysis of key matters prior to all Board meetings to allow the early identification of potential issues and the assessment of any necessary preventive and mitigating actions.

It is assisted by the Audit and Risk Committee which reviews the effectiveness of the risk management process and monitors key risks, preventive and mitigation procedures and

action plans. The Chairman of the Committee reports to the Board following each Committee meeting and, if necessary, the Board discusses the matters raised in more detail.

These processes allow the Board to monitor Antofagasta Minerals' major risks and preventive and mitigating procedures, and to assess whether actual exposure is consistent with the defined risk appetite. When gaps are identified, action plans are defined and agreed to close them.

The Risk and Compliance Management Department is responsible for risk management systems across Antofagasta Minerals and for implementing the corresponding policy to ensure a strong risk management culture at all levels of the organisation.

The Department supports business areas in analysing their risks, identifying existing preventive and mitigating controls and defining further action plans. It maintains and regularly updates our risk register. The overall risk management process is reported twice a year to the Audit and Risk Committee, with detailed

updates on key risks, mitigation activities and actions being taken.

The General Managers of each of our operations have overall responsibility for leading and supporting risk management. Risk owners within each operation have direct responsibility for the risk management processes and for regularly updating individual operation's risk registers, including relevant mitigation activities. The owners of risks and controls are identified and are responsible for an appropriate and effective management of said risks.

Each operation holds its own annual risk workshop at which the business unit's risks and mitigation activities are reviewed in detail and updated as necessary.

We have an autonomous Internal Audit area that undertakes regular and ad hoc reviews of risk management controls and procedures. This area reports directly to the Audit and Risk Committee. We promote a consistent risk management system across all our business units, ensuring that it is considered at all levels of the organisation.

Key elements of integrated risk management

We recognise that risks are inherent to our business

Only through adequate risk management can internal stakeholders be effectively supported in making key strategic decisions and implementing our strategy

Exposure to risks must be consistent with our risk appetite

The Board defines and regularly reviews the acceptable level of exposure to principal and emerging risks. Risks are aligned with risk appetite, taking into consideration the balance between threats and opportunities

We are all responsible for managing risks

Each business activity carries out risk evaluations to ensure the sound identification, management, monitoring and reporting of risks that could impact the achievement of our goals

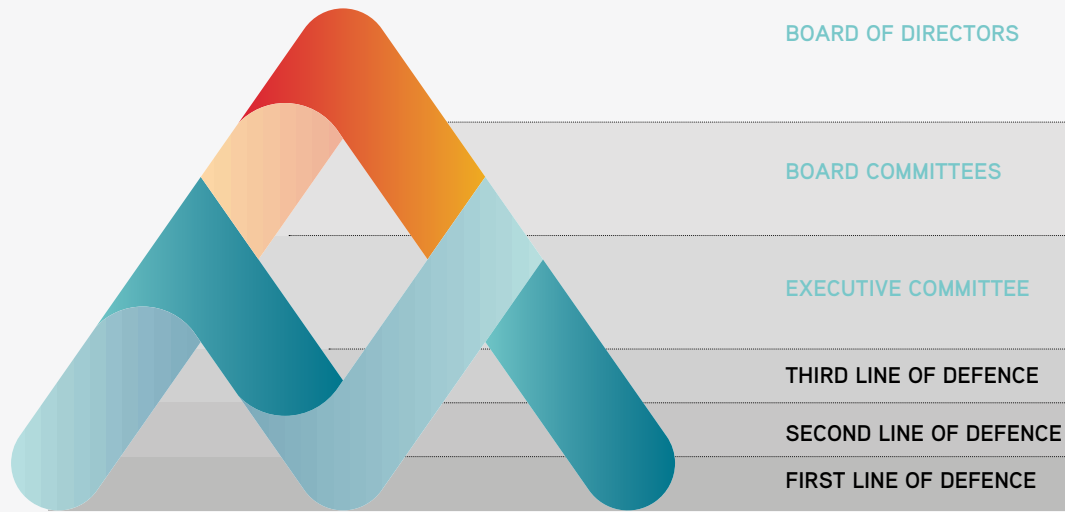
Risk is analysed through a consistent framework

Our risk management methodology is applied to all our operating companies, projects, exploration activities and support areas so that we have a comprehensive view of the uncertainties that could affect us in achieving our strategic goals

We are committed to continuous improvement

Lessons learned and best practices are incorporated into our procedures to protect and unlock value sustainably

Our risk management structure



BOARD OF DIRECTORS

- Overall responsibility for risk management and its alignment with Antofagasta's strategy
- Approves the Risk Management Policy
- Defines risk appetite
- Reviews, challenges and monitors key risks

EXECUTIVE COMMITTEE

- Assesses risks and their potential impact on the achievement of our strategic goals
- Promotes our risk management culture in each of the business areas
- Is the owner of key risks

BOARD OF DIRECTORS

BOARD COMMITTEES

EXECUTIVE COMMITTEE

THIRD LINE OF DEFENCE

SECOND LINE OF DEFENCE

FIRST LINE OF DEFENCE

SECOND LINE OF DEFENCE

The Risk and Compliance Department is accountable for monitoring our overall risk profile and risk management performance, registering risks and issuing alerts if any deviation is detected

BOARD COMMITTEES

- Support the Board in monitoring key risks and exposure relative to our risk appetite
- Make recommendations to the Board on the risk management system
- Review the effectiveness and implementation of the risk management system

THIRD LINE OF DEFENCE

The Internal Audit Department provides assurance on the risk management process, including the effectiveness of the performance of the first and second lines of defence

FIRST LINE OF DEFENCE

Each person is responsible for identifying, preventing and mitigating risks in their business area and escalating concerns to the appropriate level, if required

Key safety and sustainability risks

Antofagasta Minerals maintains a risk register through a robust assessment of the potential key risks that could affect our performance. This register is used to ensure key risks are identified in a comprehensive and systematic way and that agreed definitions of risk are used.

Mining is, by its nature, a long-term business and as part of the key risks update and evaluation process, we identify new or emerging risks which could impact our sustainability in the long run.

We identify, assess and manage the risks critical to the Company's success. Overseeing these risks benefits Antofagasta and protects our business, people and reputation. The risk management process provides reasonable assurance that the relevant risks are recognised and controlled, and that the Company achieves its strategic objectives and creates value.

We have identified 18 risk categories grouped under our strategic pillars of People, Safety and Sustainability, Competitiveness, Growth, Innovation and Transversal. Preventive and mitigation measures have been established for all risks. For each risk, the Board determines the risk appetite (the acceptable level of risk to achieve its objectives) and the risk level (the impact and likelihood of the risk occurring). In the Safety and Sustainability area, six risk areas have been identified.

In 2021, the Board increased the risk level from medium to high for climate change due to potential regulatory changes on the matter.

Risk	Risk appetite	Risk level	Change in risk level vs. 2020
Safety and Sustainability			
1. Safety and health			
2. Environmental management			
3. Climate change			
4. Community relations			
5. Political, legal and regulatory			
6. Corruption			

	Risk appetite	Risk level
Low		
Medium		
High		
Very high		

Copper's contribution to sustainable development

TOTAL COPPER CONSUMPTION¹ 2021

30.6 Mt

Electrical network

27%

of copper consumption

Construction

29%

of copper consumption

Industrial machinery

11%

of copper consumption

Consumer and general

22%

of copper consumption

Transport

11%

of copper consumption

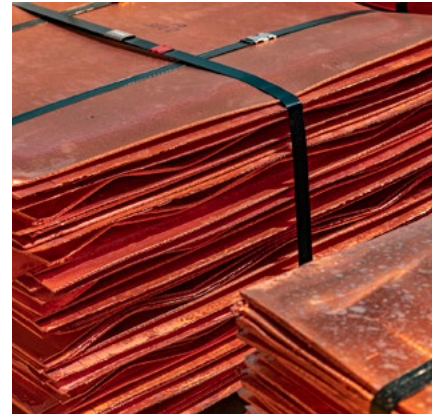
Copper: a key metal for the energy transition

Copper has an exceptional ability to safely and efficiently generate, transmit and distribute electricity and heat, enabling reductions in energy consumption and, therefore, greenhouse gas emissions. It is an essential input for sustainable industrial development and to meet the challenges of a decarbonised world.

The metal is a vital component for the energy-efficient performance of electrical networks, particularly in the case of renewable energy technologies such as wind and solar power. Likewise, electric vehicles and charging stations, which are increasingly common in modern society, depend on copper to run effectively and economically.

In our everyday lives, we use electronic consumer items - such as mobile telephones, tablets, laptops and domestic appliances - that rely on the metal to deliver superior energy performance.

The construction sector uses copper to build energy-efficient homes and offices, in other words, buildings that do not waste energy. Its applications range from power to plumbing and air conditioning to heating appliances as



well as the internet services we need to work and communicate. The metal's use in industrial machinery enables cleaner, economic development.

Copper also has special antimicrobial properties that can kill germs and is used in products - such as face masks and high-touch surfaces - to reduce infections. It can be infinitely recycled without losing any of its chemical or physical properties ensuring its central role in the development of a greener world.



Iván Arriagada
CEO, Antofagasta Minerals

As a copper producer, we have an important role to play by supplying a metal that is a critical input for many low-carbon technologies - from electromobility to the generation of renewable energy - which, in turn, promise to be key in reducing global greenhouse gas emissions.

¹ Source: Wood Mackenzie, Copper Demand Analysis, December 2021. Total copper consumption includes direct use of scrap.

DELIVERING SUSTAINABLE ECONOMIC VALUE

At Antofagasta Minerals, our purpose is to develop mining for a better future and we understand that generating economic value means more than just making a profit.

We generate economic value for all of our stakeholders, distributing it in the form of wages to employees, purchases of goods and services to suppliers, social investment programmes in

communities, taxes to governments, dividends to shareholders and interest payments to lenders.

This direct distribution of economic value also generates indirect benefits through spending by employees, suppliers, the government and others, benefitting the country as a whole.

For Antofagasta Minerals, creating economic value implies generating profits responsibly and with a long-term vision, incorporating

unique and innovative solutions in business decisions to address challenges in the regions in which we operate, and working to tackle today's global challenges.

In 2021, we directly distributed a total of \$6,985 million.

\$6,985m

Total economic contribution

Communities

\$48m

Social investment programmes

Lenders

\$83m

Interest payments

Shareholders

\$711m

Dividends

Employees

\$495m

Salaries, wages and incentives

Governments

\$780m

Income taxes, royalties and other payments to governments

Suppliers

\$4,264m

Payments for the purchase of utilities, goods and services

Subsidiaries' non-controlling interests

\$605m

Dividends



Responsible supply



As part of our purpose to develop mining for a better future, we are committed to giving local companies opportunities to work with us and strengthening suppliers' environmental, social and governance (ESG) standards.

Highlights 2021

- We increased the value of contracts awarded to local suppliers by 24%, as part of our commitment to foster economic development in the regions where we operate.
- For the first time, we began calculating our Scope 3 emissions.
- We began incorporating additional ESG conditions, such as our internal carbon price, into our contract adjudication criteria.

Suppliers play a critical role in our ability to operate continuously, safely and efficiently and provide a range of goods and services, from electricity and fuel to catering and maintenance services. In 2021, we worked with 1,241 suppliers, of whom 97% were based in Chile.

Supporting local growth

At Antofagasta Minerals, we seek to foster economic development in the Regions of Antofagasta and Coquimbo, where our operations are based, through sourcing and promoting local goods and services. Likewise, we strive to enhance the business capabilities of suppliers headquartered in these regions and to encourage local recruitment by contractor companies.

A key vehicle for these efforts is the Antofagasta Mining Cluster, a public-private alliance that seeks to promote the long-term economic and social development of the Antofagasta Region. We are particularly committed to supporting two of the Cluster's five pillars: the creation of human capital and the development of suppliers, the latter with a focus on innovation.

In 2021, we increased the number of tender invitations to companies in the regions where we operate by 52% to 33,626. Likewise, the value of tenders awarded rose by 24% to \$342 million. Small and medium-sized companies (SMEs) accounted for 41% of our spending on goods and services in these regions and 95% of these companies were paid in 11 days on average, 27% more quickly compared to 2020.



Improving opportunities

Our Guidelines on Regional Procurement and Recruitment promote the sourcing of local goods and services by reducing administrative and financial barriers for SMEs headquartered in the Antofagasta and Coquimbo Regions to take part in tenders.

As part of these efforts, in 2021 we held online meetings for businesses in these regions during which we launched 16 tenders to connect potential suppliers with opportunities. SMEs in the Antofagasta Region also participated in three in-person discussion forums on strengthening capabilities, governance and local employability to identify improvement opportunities. In a new initiative, we also met with micro and small suppliers in María Elena, Sierra Gorda and the Atacama Salt Flat in that region to learn about their businesses and connect them to larger suppliers with a view to boosting the local supply chain.

We renewed our agreement with the Antofagasta Industrialists' Association (AIA) to use its digital database of certified suppliers (SICEP) to publicise upcoming tenders and update our own register of potential local suppliers in the region. Los Pelambres conducted a similar updating and identification exercise of businesses in the Choapa Province where it is located.

Developing suppliers

In 2021, we held a Regional Suppliers' Academy to help SMEs in the Antofagasta Region participate in tenders. A total of 250 people from 96 companies took part in the 18-hour course covering matters such as compliance, supply policies, use of digital platforms, and safety and health standards.

In September, Los Pelambres launched an 18-month Gap Closure Programme to develop, implement and evaluate a plan to train suppliers in the Choapa Province on administration, technical and legal matters. More than 60 of the province's suppliers were also trained to use the digital sourcing platform, Ariba, in four cycles of pilot courses provided by the Catholic University of the North's Technical Training Centre.

We continued to participate in the Industrial Weeks for Innovation in Antofagasta, during which operational challenges are proposed to local technology companies. In 2021, two cycles of workshops were held in which 13 solutions were presented to address specific operational challenges.

Through an alliance with Expande, an open innovation programme, we held 22 online pitch days for suppliers to present solutions to operational challenges, including a

“hackaminerals” event to encourage companies to develop mathematical models to improve operational efficiencies. Since being launched in 2018, almost 70% of pitches have led to a pilot or service contract. In 2021, we also participated in a regional fair organised by Expande in which seven prominent regional technological suppliers presented prototypes that were at an advanced stage of development or had been tested, and we have already begun to work with one of them.


We publish our main operational challenges on our Innovaminerals open platform to capture ideas from inside and outside the company with a focus on boosting internal innovation. In 2021, we reinforced the latter by creating tabs on this platform with challenges specifically for Antucoya and Zaldívar.

We also provide secondary school and further education scholarships to support the development of skills in the regions where we operate.

Fostering local employment

Since being launched in 2015, Los Pelambres’ employment programme has increased the share of local people hired by its contractor companies from 15% to 45.7% in 2021. The programme comprises a trades training programme, a job portal for contractors to recruit local people and a KPI for contractors to recruit at least 30% of their workforce locally.

In 2021, we ramped up a similar employment programme in the Antofagasta Region. A total of 15 large suppliers are now advertising job openings on our pilot job portal for vacancies at Centinela, Zaldívar and Antucoya.

 For more information, see page 49 in **Communities**.


ESG focus

When awarding contracts, we consider safety, health and energy efficiency criteria as well as the technical and economic aspects of bids and we have begun incorporating other ESG parameters, such as our internal carbon price, into large contracts.

As part of our Climate Change Strategy, in 2021 we added questions on ESG and climate change to our biannual survey of suppliers to learn more about their sustainability practices and whether they measure emissions. In 2021 we began calculating our Scope 3 emissions and this will continue in 2022. In 2023, we plan to set a target to reduce these indirect emissions that are related to our activities but occur in upstream processes that we do not control or own.

In addition, our Procurement department began to work closely with targeted Original Equipment Manufacturers to accelerate the development of low-emission explosives and mining trucks.



 For more information, see our [Climate Change Report](#)

Governance

Our Compliance Model applies to all suppliers of goods and services to the company. It is clearly defined and is communicated regularly through internal channels, as well as being described in our Crime Prevention Manual. Likewise, contractors must declare their adherence to our Code of Ethics. All contracts must include clauses relating to ethics, Chilean Law N° 20.393 on bribery and asset laundering, and the UK’s Bribery Act and Modern Slavery Act.

We conduct internal and external audits to ensure compliance with our requirements. In 2021, no major compliance gaps were identified.


In 2021, our Procurement team received its annual refresher training on the Group’s Compliance Model, Code of Ethics and Crime Prevention Manual and updated their declaration of Conflicts of Interest.


All procurement is done on the Ariba Sourcing platform to make acquisition processes traceable, transparent and fair. In addition, we require a minimum number of companies to participate in large tenders to ensure a competitive process.

We conduct due diligence on all potential suppliers prior to awarding a contract using different tools that include an automated system which raises red flags and, for high-risk cases, analysis of each potential contract by a committee comprised of senior management. We assess company ownership, participation of politically-exposed persons, antitrust issues, commercial behaviour, legal cases and conflicts of interest, as well as compliance models and procedures for the prevention of modern slavery and human trafficking.

In 2021, we updated our Sustainability Policy to formalise our commitment to the OECD Due Diligence Guidance.

Suppliers can use the *Tu Voz* (Your Voice) whistleblowing channel on our website to make complaints anonymously. In 2021, we began reinforcing awareness among our contractor workers of this mechanism in meetings and written communications.

 For more information, see our [Crime Prevention Manual](#)

 For more information, see our [2021 UK Modern Slavery Act Statement](#)



ETHICAL MINIMUM WAGE

We require our contractor companies to pay their employees an ethical monthly minimum wage which, in 2021, amounted to Ch\$515,000, over 50% higher than Chile’s legal minimum wage, which rose to Ch\$337,000 in May 2021.

Our people



People are the mainstay of our business and we are committed to providing a healthy workplace culture that is diverse and inclusive and supports employees for the future world of work.

Highlights 2021

- We achieved a female participation rate in our workforce of 17.4%, meeting one year early our target set in 2018.
- We began training on Centinela's use of autonomous trucks and its integrated remote operations management centre as part of our Digital Transformation Programme.
- We took on 152 apprentices, mainly from the regions of Antofagasta and Coquimbo, of whom 77% are women.

Our People strategy is built around the four pillars of culture, organisational effectiveness, labour relations and engagement, and organisational capabilities and talent management. It is aligned with the six principles in our Charter of Values (see page 15).

The strategy is overseen by the Board, which is advised on these matters by the Remuneration and Talent Management Committee. Remuneration policies and practices are designed to support our business strategy and to promote the long-term sustainable success of the organisation. Sustainability targets represent 20% of key performance indicators in employees' annual bonus agreements.

In 2021, our workforce comprised 25,118 employees and contractors, 18% more than the previous year, due to increased hiring for projects. Our corporate offices have the largest share of the workforce with 30%, followed by Centinela (29%), Los Pelambres (26%), Antucoya (8%) and Zaldívar (7%). We are committed to promoting local employment and, in 2021, 39% of our employees were from the Antofagasta and Coquimbo Regions where the operations are based.

Inclusive culture

The implementation of our Diversity and Inclusion (D&I) Strategy remained a key focus in 2021. Launched in 2018, it initially focused on creating inclusive work environments that allowed us to increase the participation of women, people with disabilities and employees with international experience ("global profiles") in our workforce. We are now seeking to advance further and, in 2022, we will broaden the scope of our "global profiles" to include interculturality in order to



expand labour participation opportunities for communities. The aim is to continue progressing in this area, share our learnings and establish ourselves as an organisation with an inclusive culture that values and respects diversity, enabling us to count on the best talents to develop mining for a better future.

During the year, we set up working groups, drawn from across our different operations, to discuss and collectively generate initiatives to be included in the update of our D&I roadmap for 2022. Participants included members of our D&I Council, D&I leaders and inclusion champions.

More than 300 employees took part in different workshops and webinars to embed an inclusive culture across the organisation, focused on issues such as unconscious bias, parental and domestic co-responsibility, gender equity, inclusive language and the inclusion in the workplace of people with disabilities. We also reinforced our zero tolerance for sexual harassment in the workplace and addressed domestic violence. For the first time, we held workshops on inclusion for male employees, run by Fundación CulturaSalud, a foundation that works on masculinity and gender balance issues.

In July, we launched a protocol to support people in the workplace who are in a process of gender transition. Training and awareness-raising initiatives were provided to senior management, human resources personnel and D&I champions. As part of our strategy, we updated our Work-Life Balance Guidelines which seek to improve the division of

employees' time between work and family or leisure activities and create a more sustainable workforce. The guidelines are adjusted to the needs of our different workplaces and include benefits that go beyond Chilean law, such as ten days of paternity leave, up to a year's unpaid leave for health or personal reasons and a flexitime system for employees in our corporate offices.

Workplace surveys in November and December indicate that, on average, 88% of our employees have a positive perception of our D&I culture.

Gender balance

By the end of 2021, women represented 17.4% of employees, surpassing our target, one year early, of doubling their participation by the end of 2022, compared to our baseline of 8.6% at the beginning of 2018. Over the same period, we have increased the share of women in positions from manager upwards from 8% to 18.5%, as supervisors from 17% to 26.1% and as operators from 5% to 12.8%. Our new goal is for women to represent one out of every five employees by the end of 2022.

A total of 97 women from management, supervisor and operator positions took part in different career development, leadership, mentoring and other professional training programmes during the year to strengthen women's ability to perform in a male-dominated industry.

We include targets for the inclusion of women in annual performance agreements to promote their recruitment and selection. In 2021, 36% of our new recruits were women, supported particularly by our apprenticeship programmes that actively seek female participation (see page 39).

We are also actively involved in:

- **National Women and Mining Working Group:** public-private initiative to address inclusion issues hindering the incorporation of women in mining
- **Ministry of Women and Gender Equity's Gender Parity Initiative:** public-private initiative to reduce gender gaps in Chile's labour market
- **30% Club:** sponsorship of the Chilean chapter of a UK initiative that seeks to increase women's representation on boards and in senior management. Through this initiative, we take part in inter-company mentoring on gender issues

25,118

People

22%

Employees

78%

Contractors

17.4%

Women

39%

Local

81%

Unionised



- **Target Gender Equality:** UN Global Compact initiative to set and reach ambitious corporate targets for women's representation and leadership in business.



Ana María Rabagliati
Vice President of Human Resources

I believe that many women are driven by conviction, energy, strength and commitment to bring about change towards a more inclusive and sustainable mining industry. It is, therefore, important to promote their development as diverse teams are more creative, innovative and productive.

Recognitions for our gender equity strategy

In August, the National Women and Mining Working Group – led by the Ministries of Mining and of Women and Gender Equity – recognised our development programmes for their positive impact on gender equity. Of particular note, more than 60% of women employees who have taken part in leadership programmes since 2018 were subsequently promoted.

In December, we were recognised as Ambassadors of the Chile Gender Parity Initiative, a public-private alliance, promoted by the Inter-American Development Bank, World Economic Forum and Chile's Ministry of Women and Gender Equity, which aims to

promote the participation and progress of women in the labour market.

In addition, Women in Mining Chile named 13 of Antofagasta's employees among 100 Inspirational Women in the Mining Industry

2021 for the impact and key role they have on the industry's development. Four of the women are from Centinela, three from Los Pelambres, one from Antucoya, four from the corporate offices and one from Antofagasta plc's Transport division.

Participation of women employees as of 31 December 2021

	Corporate offices	Antucoya	Centinela	Zaldívar	Los Pelambres	Antofagasta Minerals
Supervisors and senior management	217	48	143	58	81	547
Operators	0*	45	271	43	97	456
Percentage of participation	34%	11%	18%	11%	18%	17%

* All women employed in our corporate offices are in supervisory or senior management roles.

/ Our People



People with disabilities

People with disabilities account for 1.2% of our workforce, exceeding the 1% requirement of Chile's Workplace Inclusion Law. Of these, 90% are employed by our mining operations. We support employees with disabilities, and also those who have family members with disabilities, to understand their rights. We raise awareness about disability issues across the organisation through talks and other activities, including a sign language workshop, as part of efforts to attract and retain a diversity of talents.

In November, we had a stand and participated in a panel discussion on the challenges of inclusion in the mining industry at the country's largest Inclusion Job Fair. Around 14,000 people attended the fair, which brings together companies, government, academia and foundations.

Together with the *Consejo Minero* (Mining Council), an association of major mining companies in Chile, we played a leading role in the development of the proposed regulation on universal access to mine sites for people with disabilities, a process that included public consultation.

Preparing for the future

At Antofagasta Minerals, we are committed to engaging with our employees about our priorities and main challenges. In 2021, we launched the "Dialogues about the Future" webinars, led by our CEO Iván Arriagada, that covered strategically important issues such as innovation, climate change, growth projects and ethics and transparency.

Organisational effectiveness

In 2021, we began rolling out our New Ways of Working project, comprising a permanent hybrid system of remote and in-person working adapted to employees' roles. Corporate employees are required to work in person 50% of the time, while jobs at the operations have been divided into three in-person models: 100% of the time (eg truck operators), 50% of the time, and at least one week a month (all subject to COVID-19 restrictions).

The project builds on the successful implementation in 2020 of extensive remote working to control the spread of COVID-19 and aims to:

- Build a resilient and flexible organisation with the capacity to respond to unexpected external events
- Capture opportunities to improve productivity and efficiency by, for example, reducing travel
- Offer a more attractive work-life balance as part of our Diversity and Inclusion (D&I) strategy.

Pulse surveys indicate that employees support the new model but have concerns about managing working hours and fulfilling domestic requirements when remote working, especially in light of the pandemic, which prevented children in Chile from attending school for much of the year. In December, following a participative employee process, we drew up a list of good practices, such as not scheduling meetings over the lunch period, to address these challenges.

As part of the company's Digital Transformation Programme, we continued the installation of Centinela's Integrated Remote Operations Management Centre in the city of Antofagasta. The facility, which is due to fully commence operations in 2022, will enable the integrated planning, execution and control of remote operations, enhancing safety as well as operational performance.

In a similar vein, we began piloting autonomous trucks at Centinela, where we also introduced autonomous drills, following the successful implementation of the latter at Los Pelambres in 2020.

Leadership brand

In 2021, we provided team-by-team communications and coaching on our Leadership Competencies Model, which was updated in 2019. Plans for a massive roll-out

of the model across the organisation were postponed due to the COVID-19 health emergency. During the year, we reinforced our five leadership skills - I value all contributions, I act thinking of the future, I develop myself and others, I do things with conviction and commitment, and I create value in everything we do - to leverage the New Ways of Working project.

Building human capital

At Antofagasta Minerals, we seek to develop human capital and talent, not only internally but also in the local communities where we focus our recruitment efforts. We are committed to promoting a culture that fosters innovation, allows employees to develop their full potential and enables the digital transformation of the business. In 2021, we invested \$1.5 million in employee training, the equivalent of 44 hours of training per employee, focused mainly on digital skills, the development of women employees and safety and health.

Digital Academy

Established in 2020, our Digital Academy aims to build the digital skills to increase the productivity of the workforce, as well as to develop transversal skills that enhance people's employability through different mechanisms (eg e-learning courses, in-person training, communities of practice). It makes a vital contribution to the implementation of our strategic pillar of innovation.

In 2021, 314 employees took courses on data-based decision-making and approximately 150 training initiatives were completed resulting in certificates from universities and other institutions. In addition, 64 operators at Centinela began a pilot course on operating autonomous trucks and we started upskilling 41 operators and supervisors, also at Centinela, to operate the mine's Integrated Remote Operations Management Centre.



Natalia Contreras
Mechanical Maintenance Supervisor, Antucoya

I was motivated by wanting to contribute to something beyond work. There are many ways to leave a mark on the world and one of the most powerful is when you help another person.

Promoting social involvement

Through forums and surveys, we encouraged employees at each of our operating sites and corporate offices to brainstorm and design volunteer programmes with a view to supporting their involvement in social change. Los Pelambres and Antucoya launched programmes in 2021, and Zaldívar, Centinela and our corporate offices in January 2022. Antucoya, for example, chose to help young people aged between 13 and 18, who live in shanty towns, to find their life purpose.

Promoting young talent

Since 2010, we have run a Graduates Programme to recruit talented young people with the potential to take on key executive roles. In 2021, of the 23 young people selected, 20 were women.

We also gave internships to 145 technical school students, including 131 women, mainly from the regions where our operations are located. In addition, 118 university students, including 49 women, completed their thesis or did professional internships at our operations.

Apprenticeships

We are committed to taking on apprentices, mainly young people from the regions where our operations are based, and providing them with high quality training that meets the standards of Chile’s Mining Competencies Council.

In 2021, our four mining operations took on a total of 152 apprentices, of whom 77% are women. In the case of Antucoya, all the apprentices are women from María Elena, the nearest town to the site. Meanwhile, nine members of the indigenous Peine and Socaire communities (including three women) represent 27% of Zaldívar’s programme.

Many of these will go on to be permanently hired by our operations. In December, 85 out of 91 apprentices graduated from Centinela’s 2020 programme and were given jobs at the operation as mine truck operators or in maintenance roles. Of these, 81 are women.

Labour relations and engagement

At Antofagasta Minerals, we seek to maintain strong relations with our workforce based on trust, continuous dialogue and favourable working conditions.

We recognise employees’ right to union membership and collective bargaining and, in Chile, freedom of association is protected by law. Our mining operations have 11 unions: four at Centinela, three at Los Pelambres, two at Zaldívar and two at Antucoya, together representing 81% of all employees.

In 2021, we closed three labour agreements: two at Los Pelambres and one, which we successfully negotiated early, at Centinela. The processes were conducted in a climate of respect and involved no strikes.

Under Chilean law, these binding agreements are renegotiated up to every three years and cover salaries, shift patterns and employment benefits among other matters.

Employees and contractors can make complaints or raise issues on our confidential *Tu Voz* (Your Voice) whistleblowing line, details of which are published on our website, as well as directly with our operations. In 2021, we reinforced our contractors’ awareness of this channel.

We have an area dedicated to the wellbeing of our workforce that provides support, communications and online resources for activities such as yoga and mindfulness, which

has been particularly important during the COVID-19 pandemic. Employees can access a 24/7 confidential, psychological help line.


At the end of the year, we conducted an Engagement Survey at our corporate offices and Antucoya to assess employee satisfaction, with a response rate of over 90%. The overall results showed that employees’ engagement levels are higher than the norm in Chile and, in the case of our corporate offices, have improved significantly since the last survey in 2017. In particular, employees highlighted the organisation’s commitment to safety, collaboration and D&I. The Engagement Survey will be conducted at our other operations in the first half of 2022.

Contractors

Contractors and subcontractors perform key tasks in our businesses and their employees account for 78% of our total workforce. We have established control mechanisms to ensure that their employees, who are often members of their own labour unions, meet our standards and guidelines on safety, labour, environmental, social and ethical matters.

Contractors and subcontractors receive the same protections as our own employees under Chilean labour law and we require contractors to pay their employees ethical wages at least 50% higher than Chile’s legal minimum and to provide other basic benefits such as life and health insurance.

2021 Apprenticeship Programme	Total	Number of women
Los Pelambres	50	40
Antucoya	12	12
Zaldívar	33	17
Centinela	57	48

 For more information, see page 35 in Suppliers.

Safety and health



The safety and health of our employees, contractors and nearby communities is non-negotiable. We permanently seek to improve our performance in this area with a particular focus on the early identification of risks and the prevention of fatalities.

Highlights 2021

- Tragically, Fernando Silva López, a contractor worker at Los Pelambres, died in a fatal accident in July.
- We reduced the number of high potential incidents (HPIs) by 20%.
- We actively promoted the vaccination of employees and contractors against COVID-19 and achieved a vaccination rate of 97%.

Strategy

Our occupational safety and health strategy is based on four pillars: occupational safety and health risk management; reporting, investigating and learning from our accidents; leadership; and contractor management. The strategy strives to achieve the four main goals of zero serious accidents and fatalities, zero occupational illnesses, the development of a resilient culture and the automation of hazardous processes.

Safety performance

Tragically, a contractor, Fernando Silva López, lost his life on 20 July 2021 while operating a bulldozer in the Los Pelambres open pit, the first fatality in 33 months at the mine. As of the end of 2021, our Centinela, Zaldívar and Antucoya mines had achieved zero fatalities for 85, 71 and 66 months respectively.

A senior team, comprising representatives from our four operations and corporate offices, conducted an in-depth investigation into the event and we have shared the findings across the organisation and incorporated them into our safety management system to prevent similar incidents.

The fatality occurred after a prolonged cycle of improving safety performance and led to a deep reflection process, led by senior management. We reinforced the importance of adequate task planning, correct identification of risks and controls, and supervision of all critical and high-risk tasks. Particular emphasis was placed on the importance of always putting safety first and for employees and contractors to feel secure to raise safety concerns.



In 2021, we recorded 57 high potential incidents (HPIs), 20% less than the previous year. We use HPIs as a key safety indicator to allow us to learn, through investigations, about what failed, and to implement effective corrective actions to prevent the repetition of such events. We include HPI targets as a key performance indicator (KPI) in Performance Agreements to promote and reinforce a preventive and resilient safety culture.

Our Lost Time Injury Frequency Rate (LTIFR) rose by 53% to 1.12 per million hours worked, mainly due to an increased number of low-severity lost time incidents at our construction projects, which tripled activities compared to the previous year. We will start investigating low-potential lost time injury events in 2022 and are addressing psychosocial factors raised by the prolonged pandemic that have affected concentration and our safety performance (see below).

Our Total Recordable Injury Frequency Rate (TRIFR), which includes lost time injuries and medical treatment injuries, decreased by 16% to 0.46 per 200,000 hours worked.

We registered four permanent occupational illnesses during the year.

Management

Our strategy involves a seven-step process to continuously improve the identification of safety and health breaches, effectivity of critical controls and the understanding of the root causes of undesired events that could have caused one or more fatalities (HPIs) or chronic occupational illnesses.

Investigations

We strengthened our investigations of all high potential incidents that could have caused a fatality by establishing investigation teams independent of the area involved in the incident, often involving representatives from other operations. Findings are shared across the organisation and used to continue closing risk management gaps.

Critical controls

We continued to strengthen our Control Strategies and the identification of critical controls for high-risk and critical activities. By the end of 2021, we had updated or designed a total of 27 Control Strategies to prevent safety incidents and another six to avoid occupational illnesses.

During the year, we embedded the use of QR codes to check all critical controls prior to conducting a high-risk or critical task. As a result, we are registering around 80,000

verifications a week, compared to 4,000 in 2020. The automatic digital process registers in real time the correct management of critical controls in a database overseen by the risk and control owners.

In 2021, we began a project to avoid collisions between heavy equipment and light vehicles at our mining operations. We conducted pilot tests and began a tender process to install collision avoidance systems.

Automating operations

We are focusing on the increased use of autonomous equipment at our operations to improve safety as well as productivity. In 2021, an initial five autonomous trucks and two autonomous drills began operating at Centinela's new Esperanza Sur pit as part of the site's Autonomous System Implementation Project, which is expected to start fully functioning in 2022. This follows the successful implementation of autonomous drills at Los Pelambres in 2020.

Visible leadership

Leadership is a key driver for improving safety performance. In 2021, members of the Executive Committee conducted onsite reviews following the fatal accident which focused on engaging with employees and contractors on four key areas: safety culture, safety management systems and processes, available safety tools and contractor management. The results were shared across the organisation and each site drew up action plans on the four pillars.

Occupational health risk management

At Antofagasta Minerals, we are committed to providing a healthy workplace and contributing to the physical and mental wellbeing of everyone who works with us.

In 2021, we continued to improve the application of critical controls for health risks and to investigate undesired events that could have consequences on the health of employees and contractors. We registered a health near-miss and hazard frequency rate of 106 per million hours worked, 6% more than our internal target which aims to stimulate awareness, reporting and the implementation of actions to address findings.

Psychosocial risks

In November, we completed work begun in 2020 to develop a Control Strategy for psychological and social risks that have been heightened by the COVID-19 pandemic. We conducted a survey to measure psychosocial risks in our corporate offices and are implementing an action plan to address issues such as "double presence", or the need to respond simultaneously to the demands of



Speaking up

In 2021, we reinforced the use of the *Yo Digo No* (I Say No) tool to generate a more proactive safety culture. Management across our operations took steps to ensure all levels of the workforce feel safe and empowered to speak up about safety concerns and to stop tasks if they perceive there to be inadequate safety conditions.



paid and domestic/family work which was particularly acute in Chile due to the closure of schools for much of the year as a result of lockdowns.

We have a confidential 24x7 helpline for employees and contractors who wish to seek help for mental health issues.

COVID-19

The control of COVID-19 infection at our operations continued to be a priority during 2021, especially in the first half of the year, when the second wave of infections peaked in Chile. We focused on encouraging both vaccination and adherence to preventive controls among employees and contractors.

The four most important preventive controls are:

- Health self-assessment questionnaires and health checks prior to each shift, including PCR or antigen tests for all employees and contractors throughout the year
- Obligatory use of masks in all common areas
- Physical distancing on buses, pick-up trucks, charter planes and common areas
- Personal hygiene such as hand cleansing.

We continued to hire buses and charter planes to transfer employees and contractors to and from site at the start and end of each shift.

In coordination with the authorities, we offered vaccinations in the polyclinics at our mine sites and actively promoted vaccination as an effective measure against COVID-19. By the end of the year, at least 97% of our employees, contractors and sub-contractors were fully vaccinated, a higher rate than the national average, and we were registering the take-up of booster shots. Only vaccinated personnel are allowed to work in-person, others must work remotely.

In 2021, we continued our intensive testing, tracing and isolation programme for people in the workplace who have COVID-19 symptoms. During the year, we registered 3,632 confirmed cases. We are sad to report that five of our contractors, who began showing symptoms on their rest days, died of COVID during the year.

Contractor management

The employees of our contractor and subcontractor companies are included in our safety and health performance data and must fully comply with our standards and procedures. In 2021, we continued to embed our updated contractor management manual across the organisation to ensure adequate understanding of our requirements as well as the supervision of contractor tasks.

Communities



We seek to contribute to the lasting social and economic wellbeing of local communities. A key part of this strategy is our focus on connecting people with the digital era through digital literacy training and better connectivity.

Highlights 2021

- In July, we launched our *En Red* (Connected) digital connectivity programme to enable communities in our areas of influence to enjoy the benefits of digitalisation.
- Since the beginning of the pandemic, we have made available a \$12 million COVID Fund to finance health and economic measures for neighbouring communities.
- We reinforced community programmes on water for human consumption and irrigation to address the impact of the Choapa Province’s drought.

Antofagasta Minerals’ mining operations are located in areas with different economic and social contexts and our social programmes, developed in partnership with communities, local authorities and third-party experts, seek to reflect and respond to their different needs.

Choapa Province

Los Pelambres, our largest operation, is located in the Choapa Province - in the Coquimbo Region of north-central Chile – with more than 80,000 inhabitants who are mainly dedicated to farming, fishing and, increasingly, mining, either directly or as a supplier. The province is being hit hard by a prolonged drought, as a consequence of climate change.

The mine’s neighbours include large towns such as Illapel, the provincial capital, and Salamanca as well as many smaller towns and remote rural settlements. Its Punta Chungo port facilities and sea water desalination plant, which is under construction, are located on the coast of Los Vilos municipal district.

Antofagasta Region

Our Centinela, Antucoya and Zaldívar mines are located in the Antofagasta Region in the north of the country where mining and, more recently, solar energy production are the main economic activities. The sparsely populated, arid region is characterised by the long distances between its small towns within the Atacama Desert and its two main cities, the regional capital and port of Antofagasta on the coast and, inland, Calama.

- Centinela is 34 km from Sierra Gorda, a municipal district of around 800 people who mainly work directly or indirectly for the area’s three large copper mines: Centinela, BHP’s Spence and KGHM’s Sierra Gorda.
- Antucoya is 60 km from María Elena, a municipal district of some 6,500 people that grew up around Chile’s nitrates industry in the nineteenth and twentieth centuries and on which it still largely depends.
- There are no major settlements close to Zaldívar. It obtains water from the Atacama Salt Flat, some 100 km from the mine, where the Atacameño communities of Peine, Socaire, Camar and Talabre are located.

The area of influence of Centinela and Antucoya includes Michilla, a fishing village some 60 km north of the city of Mejillones, where sea water is extracted for mining processes. Centinela also ships concentrates

from a pier it owns near the village, received by a pipeline from the mine. The two operations use third-party port facilities in Mejillones to import inputs such as oil, acid and explosives, while all three operations ship cathodes through third-party port facilities in Antofagasta and Mejillones.

Social Management Model

Our Social Management Model has four main lines of action: engaging with stakeholders openly and collaboratively through a multi-actor mechanism; implementing effective social investment; measuring the impacts of investment; and managing key socio-territorial alerts. Each component has its own standard to ensure our engagement principles, methodologies and practices are applied correctly across our operations.

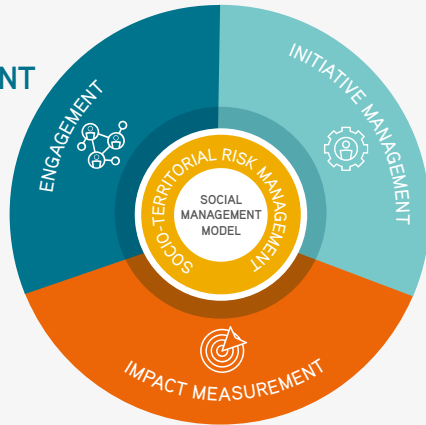
The model seeks to ensure that we create shared value and contribute to the long-term social and economic development of the regions where we operate, whilst also taking care to prevent, mitigate and compensate for any adverse impact our activities may have. Our social programmes are selected and designed together with communities and are implemented in coordination with the authorities. The programmes are usually implemented by third-parties, through strategic alliances with foundations and institutions that are experts in the specific area of concern.

In the second half of 2021, we developed a single data platform for all our social management data – including initiative management, alerts and complaints – to be registered online. This strengthens the supervision and management of our interactions with communities.



1. Our social contribution comprises all our operations’ social investment projects and programmes, including the operational costs associated with those initiatives. It covers our *Somos Choapa* and Dialogues for Development programmes; COVID-19 Fund; Caimanes, Salamanca and Cuncumén agreements; projects managed by Fundación Minera Los Pelambres; and legally binding commitments, such as those stipulated in the socio-environmental permits that allow us to operate.

SOCIAL MANAGEMENT MODEL



ENGAGEMENT	INITIATIVE MANAGEMENT	IMPACT MEASUREMENT	SOCIO-TERRITORIAL RISK MANAGEMENT
A relationship-building process defined by the Group to connect with different stakeholders, resolving disputes, contributing to development and fostering social acceptance of our operations and their growth.	Ensures the correct physical, financial and administrative implementation of social investments in the operations' areas of influence, in line with the planning and resources defined for each of them.	Defines indicators to understand the contribution of initiatives rolled out in Antofagasta Minerals' areas of influence, facilitating future decision-making on the social investment strategy, based on business objectives.	Identifies critical issues arising from the interaction (or lack of) between the company, community and/or local or national authorities in order to anticipate and manage potential risks that may affect the reputation, operation and/or growth of the Group's companies.

Impact measurement

The measurement of impacts is a key tool for the management, design and adaptation of our social initiatives. It is overseen by an Impact Committee, led by the corporate Public Affairs area.

In 2021, we measured the impact of three social investment programmes: the programme to boost employment in the Coquimbo Region and the scholarships and supplier development programmes in the Antofagasta Region. All showed a positive social return on investment (SROI), in particular the Los Pelambres vocational training programme which scored an SROI of 11.2 for every Chilean peso invested. Since launching the employment programme in 2015, Los Pelambres has trained more than 1,800 people in different trades, such as welding, erecting scaffolding and operating heavy machinery.

In addition, we designed an integrated model of data and impact indicators (Impact Ecosystem) that we expect to start using in 2022.

Human rights

In 2020, we formally introduced a Human Rights Policy, based on a due diligence of human rights in 2018 and 2019. It sets out the fundamental elements of our approach to human rights, establishing how we relate to employees, contractors, suppliers, business partners, nearby communities and other parties directly related to our operations. The potential risks identified in the due diligence have action plans that are regularly monitored.

In 2022, we expect to publish an update to our Human Rights Policy that reinforces our explicit recognition and commitment to respect the rights, culture and traditions of indigenous peoples.

For more information, see our Human Rights Policy and the section on human rights in our Social Management Report available on:

www.antofagasta.co.uk/media/4212/report_e_social_eng.pdf



/ Communities



René Aguilar

Vice President of Corporate Affairs and Sustainability

We are incorporating a digital focus into all our social programmes and projects to make a deeper and lasting contribution to communities.

CONTRIBUTING TO CONNECTED COMMUNITIES

The vital role of digitalisation for the wellbeing of communities was laid bare by the COVID-19 pandemic. From one day to the next, many of our local communities were cut off from work, education and social interaction, either because of the absence of internet coverage in remote areas or the prohibitive costs of acquiring digital devices or data. Poor digital skills were another obstacle.

In July 2021, we launched the *En Red* (Connected) digital connectivity programme to address these gaps. The initiative seeks to provide rural areas with no or limited connectivity with the infrastructure, connectivity, tools and skills to take part in the Digital Age. The aim is to hasten access to the social and economic benefits offered by digitalisation and promote new opportunities associated with digital access and skills.

The strategy is being incorporated into a range of existing and planned programmes and is focused on five areas: health and telemedicine, education, job training, water management and entrepreneurship. It comprises three main lines of action:

- **Connectivity:** promote projects to provide unconnected communities with internet access. For example, in 2021 we worked

with a satellite internet provider to install antennae in the Camisas Valley, Choapa Province, allowing school children, who previously had no access to the internet, to connect to online classes. In María Elena and Michilla, in the Antofagasta Region, we are working with local authorities and communities to provide free public wifi hotspots, under our Dialogues for Development programme. In 2022 we expect to establish state-of-the-art connectivity projects in both the Choapa Province and the Antofagasta region.

- **Digital Literacy:** foster the skills to reap the benefits of digitalisation. In 2021, more than 600 people in our areas of influence in the Antofagasta Region took part in Connectivity and Digital Literacy workshops. In Michilla, Baquedano and Sierra Gorda, we provided tablets to school children. In 2022, we will implement a Digital Academy in our host communities.
- **Participation:** make sure no one is left behind in the digital transformation process. Initially driven by the pandemic, we have been using digital platforms to engage with communities, build community cohesion and strengthen socio-digital capital. In many cases, this has led to increased participation in our programmes.



Indigenous peoples

In 2021, we began developing an Indigenous Peoples Engagement Standard, which we expect to complete in 2022. Relations with indigenous peoples in our areas of influence comply with local legislation, the International Labour Organisation's (ILO) Convention 169 and the guidelines of the International Council on Mining and Metals (ICMM).

Zaldívar signed agreements in 2018 and 2021 with the Socaire, Camar and Talabre Atacameño communities covering the approved engagement model and social projects to be implemented for the period 2018-2023. Under these agreements, in 2021 we implemented an artisan textile project using ancestral techniques that directly benefitted 36 artisans in the town of Socaire, allowing local residents to produce and sell approximately 1,400 alpaca wool gloves, hats and socks.

As part of our apprentices programme, nine members of the Peine and Socaire communities (including three women) were accepted on Zaldívar's 2021 apprenticeship programme in the mine and plant areas.

In addition, in 2021 we began making initial contact with the Diaguita Taucán and Chango communities in the Choapa Province in the framework of the ICMM's Good Practice Guide on Indigenous Peoples and Mining.

Complaint mechanisms

Community members can register complaints through a number of channels such as WhatsApp, e-mail or letter or in person to the corresponding operation or local community relations coordinator. In addition, complaints can be made anonymously and are treated confidentially on the *Tu Voz* (Your Voice) whistleblowing channel on our website. All complaints are investigated, with the exact

procedure depending on the nature of the complaint.

In July 2021, in line with ICMM guidelines, we approved a single community complaints management system to register all our operations' community-related concerns and complaints. In December 2021, we began a dissemination and training process to launch the pilot of the new system, with a view to preparing and approving an associated standard in 2022.

Citizen participation processes

In October, we completed the mandatory Citizen Participation Process as part of the Environmental Impact Assessment (EIA), submitted in April, for phase two of the Los Pelambres Expansion project. The proposed work includes the expansion of the desalination plant, currently under construction, from 400 l/s to 800 l/s.

An indigenous community consultation process, led by the Environmental Evaluation Service (SEA), is under way with the Atacameño community in Peine, to extend Zaldívar's water extraction permit from 2025 to 2031 as part of the operation's EIA on its mine life extension.

Response to Covid-19

The pandemic's second wave reached its peak in the first half of 2021, leading to full lockdowns across most of the country and, for the first time, in the Choapa Province. As a result, in 2021 we made available a further \$6 million to our COVID Fund which was used according to the needs of the communities in our areas of influence.

As in 2020, our efforts focused on healthcare and prevention, economic reactivation and relief measures for local communities and, in all these activities, we worked in close coordination with local authorities. As is the practice with our regular social programmes, many initiatives were implemented jointly with local foundations and, in the case of Los Pelambres, its own foundation, Fundación Minera Los Pelambres.



Health measures

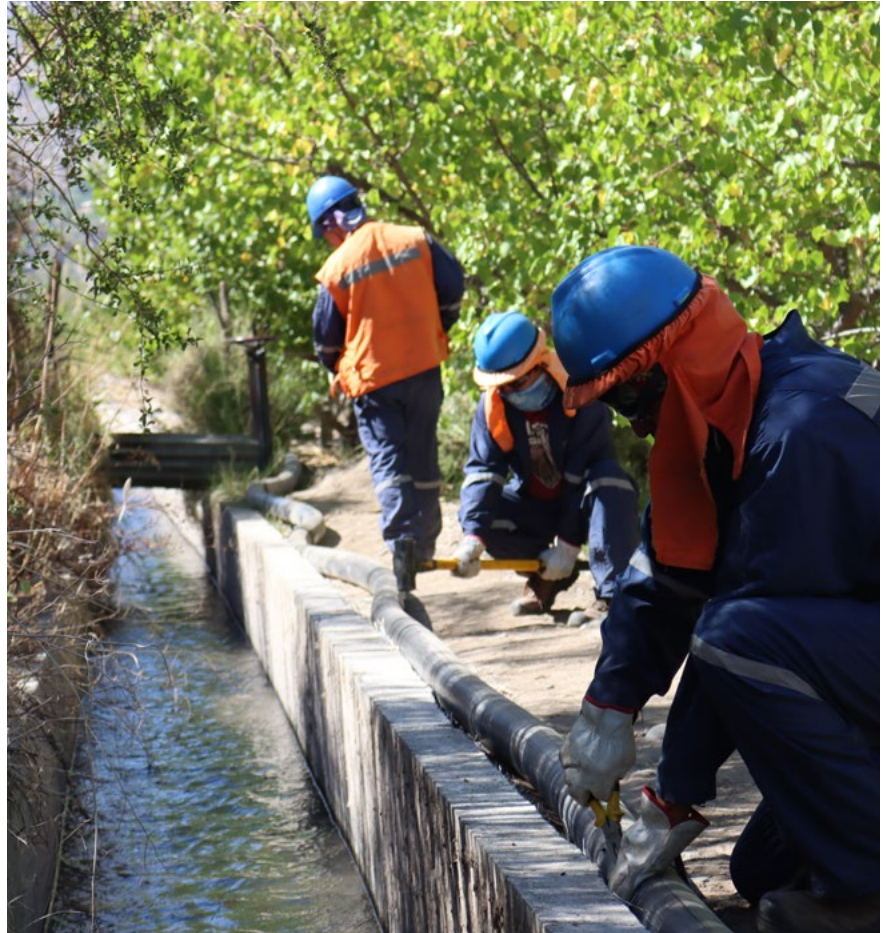
In 2021, we made further donations of medical equipment and Personal Protection Equipment (PPE) to help treat and prevent the spread of infection. We funded seven specialists to cover intensive care unit beds in the Antofagasta Hospital, in an alliance with the foundation, Fundación Acrux, and provided PPE equipment and community kits to primary healthcare centres and shanty towns in the region.

In the Coquimbo Region, our support included the donation of seven high-flow nasal cannulas and a ventilator, mattresses and three ambulances for hospitals in Salamanca, Illapel and Los Vilos.

We also facilitated more rapid test and trace measures in both the Coquimbo and Antofagasta Regions by donating refrigeration equipment and thermocyclers as well as by supporting test and trace campaigns in rural areas and local markets.


Economic reactivation

For the second year, a key focus was to help local businesses recover from the economic impacts of the pandemic. In one initiative, Centinela's Safe Return Plan (launched in September 2020) allowed the Sierra Gorda hospitality sector to reopen and receive the employees of the mine's contractor companies throughout the year. The plan included training on COVID-19 protocols, agreements with contractors to adhere to certain requirements, and employing local people as monitors to ensure compliance. The initiative has enabled the town to rent almost 1,000 rooms to contractors' employees, with significant positive knock-on effects on local catering and laundry services and the area's economy.



In the Choapa Province, Fundación Minera Los Pelambres continued the Choapa Economic Emergency programme that helped struggling small businesses survive the pandemic in 2020. Renamed Choapa Economic Support (*Choapa Apoyo Productivo*), the programme received 3,325 applications and awarded 2,158 grants of between Ch\$300,000 and Ch\$2 million each, to informal entrepreneurs and micro and small businesses in the municipal districts of Salamanca, Illapel, Los Vilos and Canela. In addition, the programme provides training on tools to help adapt to the new business scenario created by the pandemic such as e-commerce.

Los Pelambres also gave grants to local suppliers in the accommodation, catering and transport sectors to allow them to implement COVID-19 prevention protocols and keep their businesses open. In total, 56 applications were received, of which 38 were accepted.

 For further information on suppliers, see page 34.

Relief measures

During the year, we continued to address the social effects of lockdowns. In the Antofagasta Region, we joined the *Locales Conectados* (Connected Stores) programme, co-ordinated by

Fundación Urbanismo Social, a foundation, in which local people were provided with digital vouchers to buy goods from a network of neighbourhood shops, providing economic relief to families while also boosting local businesses. The initiative benefitted over 600 of the most underprivileged families in Michilla and Mejillones and more than 800 families in María Elena.

For the second year, we worked with Educación 2020, an NGO, to implement project-based learning (PBL) methodologies in 17 schools in the Choapa Province. PBL develops active learning and research skills in pupils and can be done from home, a crucial consideration during the pandemic. We also provided students with tablets containing information and tutorials. The initiative reached 206 teachers and 2,019 pupils.

In another initiative, Antucoya replaced its annual basketball championship for local schools with online exercise classes to maintain and strengthen young people's motor skills, benefitting around 190 pupils.

In line with our *En Red* digital connectivity strategy, many initiatives were aimed at providing remote communities with access to the internet, addressing the expense of acquiring digital devices and data, and strengthening digital skills (see page 44).

/ Communities



Combating drought in Choapa Province

The severe drought in the Coquimbo Region has lasted 12 years and 2021 was one of the driest on record. For the second consecutive year, we worked with the authorities and irrigators on plans to strengthen our two regular *Somos Choapa* water management programmes that aim to address the drought's impact on water for human consumption and irrigation.

The plans have three focus areas:

- **Saving:** joining campaigns to not waste water
- **Efficiency:** contributing to water efficiency projects such as technified irrigation systems and relining irrigation canals
- **Availability:** contributing to the quantity and quality of water supplies. Finding new water sources through drilling five new wells for the Choapa River Water Users' Board.

Our water management initiatives are implemented by Fundación Minera Los Pelambres through the following programmes:

APRoxima: this programme supports the local volunteer committees responsible for managing Rural Sanitary Services (SSR after its initials in Spanish and previously known as APR) and provides training and assistance for the design, construction and maintenance of infrastructure. It is an alliance with the province's four municipal districts and the national government's Directorate of Hydraulic Works.

In 2021, we expanded *APRoxima Emergencia*, a primarily emergency response unit to rapidly

resolve drinking water supply issues in the Salamanca municipal district, to also cover Illapel, Canela and Los Vilos districts. During the year, 26 preventive visits and 51 emergency visits were made to SSRs. In addition, 20 minor maintenance works were undertaken and nine new SSR systems were designed. Four training programmes were also provided to SSR managers, operators and secretaries in the four provinces.

Confluye: this initiative is an alliance with the government's economic development agency (CORFO), its agricultural development institute (INDAP), the National Irrigation Commission and the Water Users' Boards of the Choapa, Chalinga and Illapel Rivers to improve agricultural irrigation and water security for farmers. One of its main activities is to help the Water Users' Boards submit applications for government funding and advance them the amount awarded, thereby avoiding unnecessary delays on a project's implementation. It also has a fund to help design projects.

In 2021, the Confluye programme relined 14.8 km of irrigation canals. In addition, the *Confluye Emergencia* (Confluye Emergency) programme implemented 45 projects that involved relining irrigation canals on the Choapa, Chalinga and Illapel Rivers.

As part of our involvement in addressing water scarcity issues, Los Pelambres actively participates in a Provincial Water Working

Group, established by the Regional Government, to identify and implement solutions to improve the area's water security in the short, medium and long term.

We are also co-financing the public-private Quitai Anko research consortium, led by the University of La Serena, which is implementing a five-year programme to develop sustainable solutions to water issues in the water-stressed regions of Coquimbo, Atacama and Valparaíso, starting with the Choapa Province.

In 2021, the consortium focused on the recharge of aquifers, training and data collection, and the development of an online telemetry water information system to manage the supply and quality of rural drinking water. It also held a number of technical and outreach webinars, including workshops on the Choapa, Chalinga and Illapel Rivers for irrigators in Salamanca and Illapel.

Similarly, the Antofagasta Minerals Chair of Water Sustainability held its first international webinar on climate change and increased extreme events, with a key address by Giuliano Di Baldassarre, Professor of Hydrology and Environmental Analysis at Sweden's Uppsala University. Created in July 2020, the Chair of Water Sustainability was formed with the Catholic University of Chile in a \$1.5 million endowment partnership to build knowledge and human capital in a critical area for the country's resilience to climate change.

Flagship Programmes

We use a multi-stakeholder, open dialogue engagement approach to ensure that local communities participate in the selection of our social investment projects through our *Somos Choapa* (We are Choapa) and *Diálogos para el Desarrollo* (Dialogues for Development) programmes in the Choapa Province and the Antofagasta Region, respectively. In addition to in-person workshops, the pandemic triggered the use of online platforms which, in 2021, increased community participation in decision-making.

Pandemic-related social initiatives replaced or reinforced some of our regular programmes but, in the second half of the year, we began reactivating suspended projects as the country's major vaccination campaign took effect and COVID-19 cases decreased.



CAIMANES CONCILIATION AGREEMENT

In 2021, we held a legally-binding conciliation process with the Caimanes community regarding phase one of the Los Pelambres Expansion project. Under the conciliation agreement, Los Pelambres has agreed to fund a series of additional social projects including education scholarships, connectivity and infrastructure associated with paving roads, improvements to its Rural Sanitary Service system and health equipment.



SOMOS CHOAPA

Somos Choapa is a strategic alliance between Los Pelambres and the Choapa Province's four municipal districts - Salamanca, Illapel, Canela and Los Vilos - through which we seek to contribute to the area's sustainable development and the wellbeing of its inhabitants.

It focuses on four main areas of social investment: water management, education and culture and economic development - which are mainly overseen by Fundación Minera Los Pelambres - and community infrastructure.

In 2021, most of its regular economic development initiatives were replaced by Choapa Economic Support (see page 45). Other projects and programmes in 2021 include:

- **Integral Support for Agriculture (AIA):** Through the co-financing of investments and technical support, this programme seeks to help small farmers in the Salamanca municipal district to increase yields and irrigation efficiencies. In 2021, it awarded 464 grants, made 70 follow-up visits and trained 60 beneficiaries through a technology transfer methodology.
- **Emprende Valle Alto:** Provides grants for different entrepreneurial activities in the towns of Batuco, Chillepín, Cuncumén, Punta Nueva and Tranquila, which are Los Pelambres' closest neighbours. In 2021, it funded 54 initiatives.
- **Recreo:** A public-private partnership implemented in alliance with the municipalities of Choapa and Mi Parque, a foundation, this project has hired local companies to rehabilitate 10 communal areas for recreational activities in the Salamanca municipal district. In 2021, two public spaces were completed and eight remained under construction.

- **Promueve:** During the year, 13 new community centres were completed in Salamanca, as part of this public-private partnership to build community cohesion, implemented by Ciudad Emergente. In Illapel, five projects were reactivated that had been suspended due to the pandemic.
- **Los Vilos Stadium:** In alliance with Ganamos Todos, a foundation, work began on new changing rooms and public toilets, among other improvements, in the second stage of a project to remodel the town's football stadium. The first stage, comprising an artificial turf pitch and seating for 950 people, was completed in 2020.
- **Santa Rosa sports complex:** By the end of 2021, the development of two grass playing fields and synthetic athletics track in Salamanca were almost completed. A second stage considers lighting, two swimming pools and a volleyball and a basketball pitch.
- **Scholarships.** As part of its Education and Culture line of work, our scholarship programme supported 734 young people from the Choapa Province in higher education and secondary school in 2021. The *Somos Choapa* programme also covers our work with Educación 2020 to improve education quality in schools (see page 45).

Recognition for Somos Choapa

In 2021, Los Pelambres was awarded the annual José Tomás Urmeneta prize by Chile's Institute of Mining Engineers (IIMCH) for the way its *Somos Choapa* programme seeks to contribute to the sustainable development of the Choapa Province through a participatory dialogue process with local authorities and communities and in alliance with third party experts.

/ Communities



DIALOGUES FOR DEVELOPMENT

Under the Dialogues for Development programme, Antucoya and Centinela work with the municipal governments of María Elena and Sierra Gorda, respectively, and other strategic partners to foster the towns' development and contribute to their residents' quality of life.

Local people actively participate in the selection of initiatives to be carried out over a two-year timeframe as well as in working groups to oversee their implementation. In 2021, projects included:

- Dental campaign:** Around 40 Sierra Gorda residents benefitted from dental treatment in December through an alliance between Centinela and the University of Antofagasta. Volunteers from the university's dental school provided the treatment and Centinela funded the logistics and supplies. A second round of care was provided in January 2022.
- Building skills:** As part of Centinela's commitment to enhance local peoples' job prospects, 12 Sierra Gorda residents were given 40 hours of theoretical and 40 hours of in-person practical training on basic mechanics.
- Improving security:** In December, we began installing perimeter fences in the homes of elderly and vulnerable people in Sierra Gorda's Villa Renacer del Desierto neighbourhood. We also completed work to equip and furnish a new community centre, including a perimeter fence, for Neighbourhood Association N°3.
- Pharmacy:** Antucoya is funding the installation of a pharmacy in María Elena that will be supplied by the National Health Service Procurement Centre (CENABAST), making it easier for locals to get quality medicines at a low cost. The pharmacy will be run by Fracción, a chemist, and also serve as a distribution centre for other towns in the region and, in alliance with the TeleDoc online health service, provide telemedicine to locals. It is expected to start operating in the first half of 2022.
- Enhancing technical education:** In December, we donated audiovisual equipment, such as large screens, cameras and microphones, to María Elena's only Technical Professional School to close connectivity gaps and enable the establishment to provide hybrid classes to its 240 students. In a parallel initiative, the school's Car Mechanics Workshop was provided with cutting-edge technology, through an alliance with the public-private CCM-Eleva initiative that promotes relevant and high-quality technical certification standards and training for the mining industry.
- Economic development:** We donated awnings to 90 entrepreneurs in María Elena to help them sell their wares in markets. In a second stage, scheduled for the first half of 2022, we will provide training and support on regularising their businesses, in an alliance with the city of Antofagasta's Business Development Centre (run by the government's technical cooperation service, Sercotec).

In 2021, we started implementing the Dialogues for Development programme in Michilla, where Centinela has a pier and we extract sea water for operational purposes. Residents approved three social investment projects: the installation of photovoltaic panels to provide electricity in 20 homes, a free public wifi hotspot in Michilla's main square to improve connectivity and, in alliance with the Mejillones fire service, emergency preparedness training.




Boosting Employment Opportunities

At Antofagasta Minerals, we seek to stimulate economic and social wellbeing in the regions where we operate by recruiting locally, supporting the purchase of goods and services from local businesses and building human capacity through educational initiatives and training programmes.

In 2021, we directly employed 2,188 people from the Antofagasta and Coquimbo Regions, representing 39% of our workforce. We also create jobs through our use of local suppliers and by encouraging suppliers to hire locally.

In line with this, our corporate Guidelines on Regional Procurement and Recruitment reduce the barriers to participating in tenders for suppliers headquartered in the Antofagasta and Coquimbo Regions. In 2021, the value of tenders awarded to local suppliers rose by 24% to \$342 million compared to 2020.

 For further information about suppliers, see pages 34-35.

Education and training initiatives are a key pillar of this strategy. Our apprenticeship and internship programmes are focused on developing the skills of local young people (see page 39). In particular, we are committed to addressing the digital skills required for the future world of work, both through internal training and initiatives that target the community in line with our *En Red* programme.

We actively participate in the CCM-Eleva Mining Competencies Council, which works with a network of 100 educational establishments and companies to bring training standards into line with industry needs by certifying educational establishments, training their staff and offering pupils work experience at leading mining companies.

In the Choapa Province, our Technical Education Network, comprised of the province's five Technical Professional Schools, helps link students with local companies. In 2021, 30 students specialising in Industrial Mechanics at the Padre José Herde Pohler Secondary School in the Canela municipal district, took courses on Safety, Maintenance and Operations, and Environment and Sustainability at the Totoral Wind Farm, run by Latin America Power.

Similarly, the first set of 162 students graduated from the Choapa Province's first Technical Training Centre, run by the Catholic University of the North (UCN). The centre was established in 2018, following an agreement between the UCN and Los Pelambres, which funded construction of its two 3,300 m² buildings in Los Vilos.

Mining Cluster

In the Antofagasta Region, a key vehicle to promote regional economic development is the Antofagasta Region Mining Cluster Corporation, a public-private alliance that seeks to foster the region's economic development. We were the first mining company to join this initiative in 2018, when we made the commitment to focus on human capital creation and the development of innovative suppliers.

Under this framework, we actively participate in the Regional Innovation Roundtable, led by CORFO, through which we sponsor the annual Antofagasta Minerals Innovation Awards for local entrepreneurs and companies that contribute to strengthening the local innovation ecosystem. In 2021, we also co-financed a study with the Mining Technology Pilot Centre (CIPTMIN), which found that 46% of the region's industrial suppliers were innovative. The second stage of the study to close innovation gaps is focused on 536 companies.

Our work includes 12 different programmes with the region's two universities, the University of Antofagasta and the Catholic University of the North. In a key initiative, 20 high-performing students in the last year of school - from vulnerable backgrounds in María Elena, Mejillones and Michilla - received support to close educational gaps and prepare them for university, in an alliance with the UCN. Another example is the competitive grants we offer students to implement technical innovation projects.

In 2021, our scholarship programme in the Antofagasta Region benefitted 47 young people from María Elena, Sierra Gorda, Michilla and Calama.

In a joint project with the Antofagasta Industrialists' Association and other companies, we are also financing the third stage of infrastructure, comprising workshops and a gym, for the Don Bosco Technical School in Calama, where children from vulnerable families make up 80% of admissions.

In October, we joined *Empleo Región* (Regional Employment), a public-private partnership to further promote employment in the region, implemented by the UCN, which involves the creation of a job portal and an employment agency.

Climate Change

In 2021, we achieved important progress on implementation of our new Climate Change Strategy and set ourselves new short and long-term emissions reduction targets.

Highlights

- We announced our commitment to carbon neutrality by 2050 at the latest, with an interim target of a 30% reduction in our GHG emissions by 2025 compared to 2020.
- We published a Progress Report against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as well as our first Climate Change Report.
- We approved new Energy and Water Policies.

As a Group, we recognise climate change as one of the greatest challenges facing the world today and acknowledge our responsibility to be part of the solution. As a copper producer, we supply a metal that is critical for low-carbon technologies



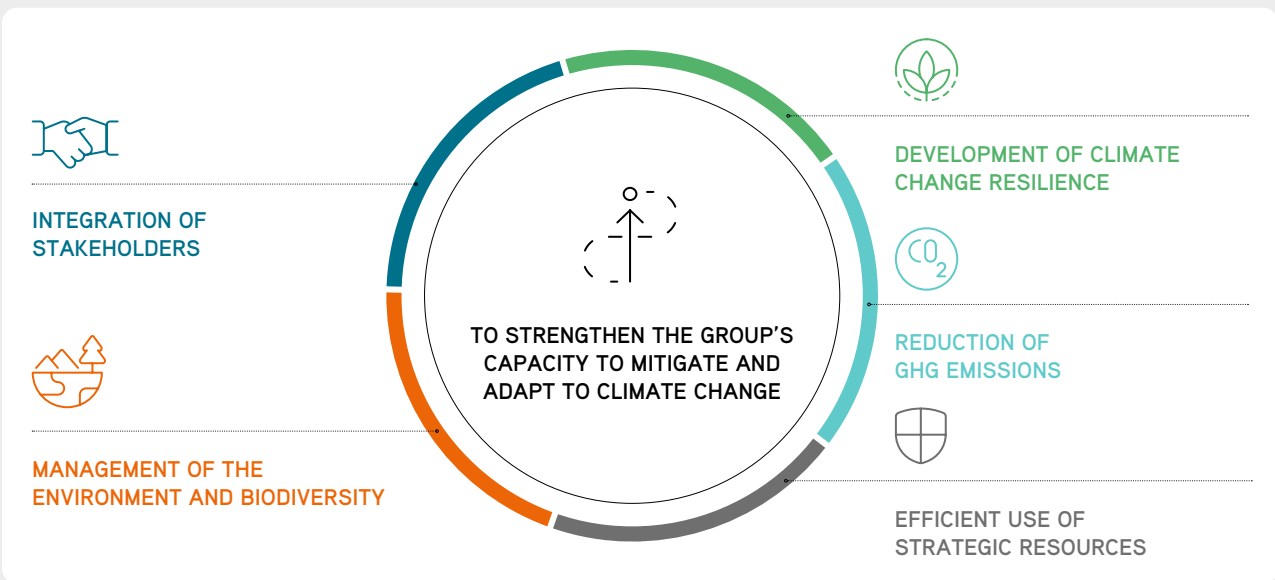
and, at the same time, we are working to reduce our greenhouse gas (GHG) emissions.

In 2021, we began implementation of our Climate Change Strategy, which was approved by the Group's Board of Directors in November 2020. The Strategy is designed to facilitate early management of risks and opportunities, mitigating climate change's effects and enabling us to adapt to changing scenarios and be

prepared for the transition to carbon neutrality.

The Strategy has five pillars: development of resilience to climate change, reduction of greenhouse gas emissions, efficient use of strategic resources, management of the environment and biodiversity, and integration of stakeholders. For each pillar, different areas of action have been identified, accompanied by a plan of short, medium and long-term action.

The five pillars of our Climate Change Strategy



Climate Change Strategy

Coordinated by the corporate Environment area, with the support of a Climate Change Committee established in January 2021, the Strategy has enabled us to tighten coordination of the many initiatives already being implemented by our operations and projects, harnessing synergies among them.

It has also helped us embed awareness of climate change more deeply into our decision-making processes.

Parameters related to climate change have gradually been given greater weight in our two performance agreement bonus plans for more senior employees. In 2021, the Short-term

Incentive Programme at the Group level required, among other targets, compliance with the emissions budget for the year. Similarly, our Long-Term Incentive Programme, which is tied to performance over a three-year horizon, requires compliance with the roadmap for implementation of the Climate Change Strategy.

TCFD REPORT

In 2019, we undertook to adopt the reporting framework of the Task Force on Climate-related Financial Disclosures (TCFD). Created in 2015 by the Basel-based Financial Stability Board, the TCFD offers a set of voluntary recommendations to help companies incorporate climate-related risks and opportunities into their risk assessment and management, strategic planning and capital allocation. Reporting on progress with respect to these recommendations is now a requirement for companies like ours that form part of the FTSE 100 share price index.

In September 2021, we issued a TCFD Progress Report, disclosing both the physical risks that climate change poses for our four operations and the risks implicit in the necessary transition to a low-carbon economy. In addition, the Report discusses the opportunities that climate change offers us as producers of a metal that is a vital input

for different low-carbon technologies. The Report is available at www.antofagasta.co.uk/media/4184/antofagasta-tcfd-report-2020.pdf. In the process of preparing the Report, we analysed over 80 physical risks, ranging from water scarcity to tidal surges and the effect of dust on air quality. In order to prepare for the changes and build resilience to climate change, we selected five priority risks, which we assessed considering a high global warming scenario (RCP8.5).

In the case of transition risks, we identified and assessed risks and opportunities as they refer to the mining sector, using a process of investigation that considered international norms, public policies and climate scenario pathways. This was followed by more in-depth analysis of the most important risks, such as potential taxes on emissions and variations in the price of diesel in different scenarios.

Our assessment of the process of preparing the Report is extremely positive. As well as helping us to embed climate change into our decision-making processes and heighten awareness of its implications across all levels of the organisation, it has provided us with a new standardised vehicle for transparent communication with our different stakeholders.

Further supporting disclosure about our performance as regards climate change, we published our first Climate Change Report in December. In it, we recognise climate change as one of the most important challenges facing society and our company today. The Report is available in English on the website of Antofagasta plc and in Spanish on the Antofagasta Minerals website.

Greenhouse gas emissions

Objective

To establish GHG emissions reduction targets and pathways, progressing towards the development of sustainable mining in line with the objectives of science and Chile's undertakings in this field.

In 2017, we defined a series of emissions reduction projects and, in 2018, went on to set a target of a reduction of 300,000 tCO₂e¹ in our direct (Scope 1) and indirect (Scope 2) emissions by 2022 compared to the 2017 baseline. We met this target in 2020, two years early, reporting a drop of 581,355 tCO₂e on 2017. This was followed in 2021 by a further reduction of 45,376 tCO₂e.

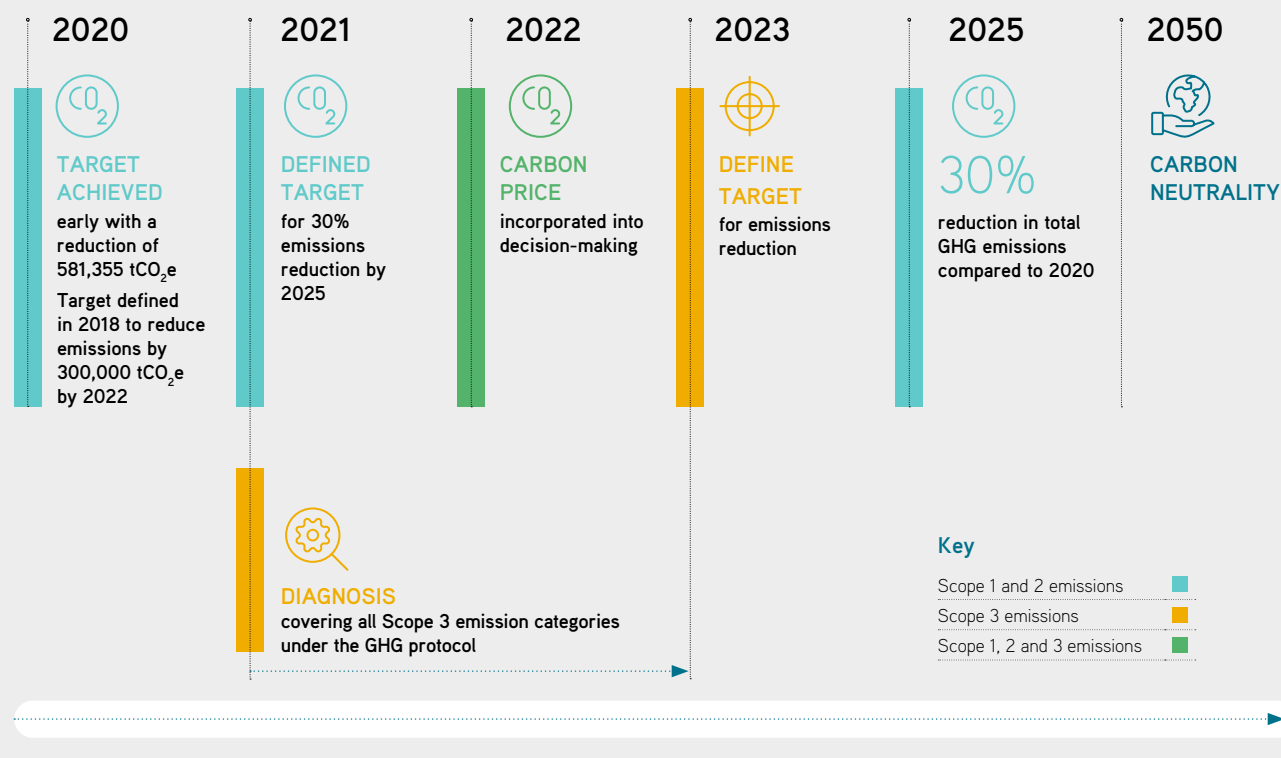
In May 2021, we announced a new, more ambitious emissions reduction target. In the framework of our Climate Change Strategy, we aim to cut our Scope 1 and 2 emissions by 30% by 2025 compared to 2020, and have committed to carbon neutrality by 2050, or sooner if the development of technology permits.



1. Tonnes of carbon dioxide equivalent.

/ Climate Change

GHG emissions targets

CO₂ emissions (tCO₂e)¹

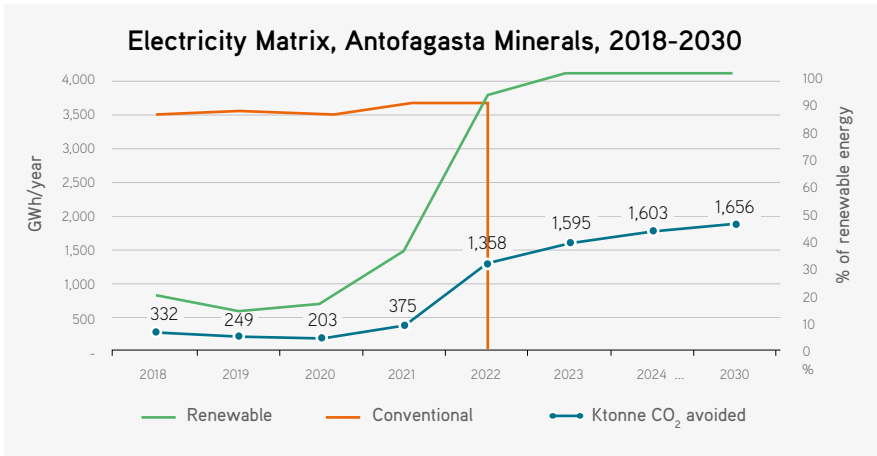
	Los Pelambres	Centinela	Zaldívar	Antucoya	Corporate offices	Mining Division
Scope 1						
Direct emissions						
2021	226,199	439,484	156,500	165,641	124	987,948
2020	257,801	492,496	152,340	152,577	108	1,055,322
2019	251,580	448,890	140,623	152,231	106	993,430
2018	262,355	453,898	141,475	168,490	1	1,026,219
Scope 2						
Indirect emissions ²						
2021	466,381	556,616	163,530	124,467	894	1,311,888
2020	464,492	542,020	162,688	120,087	603	1,289,890
2019	544,900	539,300	192,862	114,337	825	1,392,224
2018	523,942	563,101	180,109	123,353	1,189	1,391,694
Total emissions						
2021	692,580	996,100	320,030	290,108	1,018	2,299,836
2020	722,293	1,034,516	315,028	272,664	711	2,345,212
2019	796,480	988,190	333,485	266,568	931	2,385,654
2018	786,297	1,016,999	321,584	291,843	1,191	2,417,914
CO₂ emissions intensity						
tCO ₂ e/tCu ³						
2021	2.13	3.63	3.64	3.69	-	3.00
2020	2.01	4.19	3.27	3.44	-	3.00⁴
2019	2.19	3.57	2.87	3.71	-	3.10
2018	2.20	4.10	3.40	4.04	-	3.33

1. Further information on our CO₂ emissions can be found on the Carbon Disclosure Project website (www.cdp.net).

2. For the sake of consistency, all the figures use the average emissions factor of Chile's electricity system. As of March 2022, the only annual emissions certificates received by the operations that use renewable energy were for electricity consumption at Los Pelambres and Zaldívar in 2020, which represented a reduction of 209,046 tCO₂e in 2020.

3. Tonnes of CO₂ equivalent per tonne of copper produced.

4. The CO₂ emissions intensity of the Mining division was over-estimated in previous reports (3.19 tCO₂e/tCu) and has been updated here.



Renewable energy

The drop in our Scope 2 emissions in 2018 largely reflected the integration of Chile’s two formerly separate electricity systems. This gave our Centinela, Antucoya and Zaldívar mines in northern Chile access to lower-carbon power from central and southern Chile. Over the past few years, our mining operations have also renegotiated their power purchase agreements (PPAs) with generators, switching from conventional sources - principally coal - to renewables to take advantage of the abundant and competitively-priced solar and wind energy available in Chile.

In July 2020, Zaldívar became our first operation to use 100% renewable energy. In 2020, 29.4% of the electricity consumed by Los Pelambres was also renewable. However, under the international GHG Protocol, this cannot be reflected in our published emissions figures until the certified emissions factors of each operation have been received from the authorities.

The 2020 factors for Zaldívar and Los Pelambres were received in February 2022 and represented a reduction of 209,046 tCO₂e. However, for the sake of consistency with the years before and after 2020, we will continue to report our emissions according to the emissions factor of Chile’s electricity system (SEN). The estimated reduction for Zaldívar and Los Pelambres in 2021 was 375,110 tCO₂e, but this cannot be reflected in the emissions figures we publish until it has been validated, which we expect will occur in mid-2022.

At the beginning of 2022, Antucoya and Centinela will also switch to 100% renewable electricity and, later in the year, we expect they will be followed by Los Pelambres, with the exact date depending on the ramp-up of a hydroelectric project. As a result, we anticipate that, by end-2022, our mining operations will be using exclusively electricity from renewable sources.

Challenge of diesel

Following these measures to address our Scope 2 emissions, our attention has turned to Scope 1 emissions, generated principally by the use of diesel in our operations’ mine haulage trucks. We are exploring options for switching to lower-carbon fuels and, ultimately, aim to eliminate the use of diesel at our operations.

Chile’s abundance of solar and wind energy gives it the potential to become a major producer of green hydrogen. We are, therefore, particularly interested in the use of hydrogen by our operations and will be looking to support the country’s development in this field. In January 2021, we became the first mining company to join H2 Chile, the Chilean Hydrogen Association.

In 2020, we drew up an Electromobility Roadmap, with haulage trucks as a key focus. Under our Electromobility Plan, we will be taking concrete actions starting in 2022. They include:

- **Hydra project.** In 2022, Centinela will begin tests on a prototype of a fuel cell and battery powertrain propulsion system, developed by the Hydra Consortium, formed by energy multinational Engie, the Mining3 research organisation and other companies including Antofagasta Minerals, which is currently the only mining company in the consortium. The Chilean-British Chamber of Commerce awarded this project its Environmental Innovation Recognition Award in the category of Innovation in Energy Management.
- **CASE project.** In 2022, we will be co-financing a pre-feasibility study for the use of electric trucks at Antucoya, carried out by the Centre for the Sustainable Acceleration of Electromobility (CASE), a technological consortium led by the University of Chile, the Energy Sustainability Agency and the Mario Molina Centre.
- **Charge On Challenge.** We are one of a group of mining and related companies that

has set this innovation challenge for the development of battery-charging solutions for large electric off-road trucks.

- **Hydrogen and Infinity projects.** These projects at Centinela and Los Pelambres, respectively, are testing the effectiveness of injecting a small amount of hydrogen into the diesel used by trucks as a way to reduce emissions.

Scope 3 emissions

Our suppliers of goods and services and post-production activities also generate indirect emissions and we are exploring ways to reduce these Scope 3 emissions. In 2021, we calculated their level in 2020. Measurements will continue in 2022 and, in 2023, we plan to set a target for their reduction with respect to 2022.

Carbon pricing is a key tool for reducing energy use and fostering a shift to clean fuels. As a result, we have decided to introduce an internal carbon price for use in awarding contracts to suppliers and evaluating projects and for planning and financial purposes.

/ Climate Change



Energy consumption and management

Energy represents some 19.5% of our mining operations' total operating costs. Out of this, approximately 12.8% corresponds to electricity and 6.7% to fuels, principally diesel. In 2021, electricity consumption reached 3,482 GWh, down by 0.2% from 3,490 GWh in 2020, while diesel consumption reached 398,847 m³ compared to 350,237 m³ in 2020, equivalent to an increase of 13.9%.

A new Energy Efficiency Law came into force

in Chile in February 2021 and will require large industrial energy users with energy management capacity to reduce their average energy intensity by at least 4% over a five-year period. In line with this, we have drawn up an Energy Policy that seeks to improve our energy management systems, establishing objective, targets and action plans.

We are adding new functions to our Energy Portal, which we launched in mid-2020 to

improve the visualisation of information for management decisions. It shows the energy (electricity and diesel) used in our operations' different processes and the corresponding Scope 1 and 2 emissions. We are also incorporating energy intensity indicators and information about the status of energy efficiency initiatives and our progress towards our 2025 emissions reduction target.

In 2021, our operations continued to implement important energy efficiency projects that included:

Key Energy Efficiency Initiatives

Description	Energy saving (Jan-Dec 2021)	GHG emissions avoided (Jan-Dec 2021)
Performance improvements in SAG mill, Los Pelambres	33,706 MWh	13,414 tCO ₂ e
Reduction in haulage truck diesel consumption, Centinela	3,792 m ³	11,202 tCO ₂ e
Improvements in crusher use, Antucoya	19,806 MWh	7,703 tCO ₂ e
Performance improvements in water pumping to site, Zaldívar	3,474 MWh	1,364 tCO ₂ e
Change to LED lighting, Los Pelambres	2,454 MWh	957 tCO ₂ e
Performance improvements in gravel unloading, Zaldívar	1,643 MWh	653 tCO ₂ e

Water use

Priorities

- **Evolution of the water matrix.** Strengthen the Group's strategy for reducing its use of continental water in areas where water is scarce, establishing targets and actions that take into account the result of the analysis of climate scenarios.
- **Efficiency, recycling and reuse measures.** Strengthen efficiency in the use of water and other strategic resources, improving their recycling, recovery, reuse and protection in the company's areas of influence.

Efficient water use has long been at the forefront of the Group's management of its Mining division. Three of its four operations are located in the Atacama Desert and the fourth, Los Pelambres, is in an area suffering a prolonged drought.

In response, we are seeking to reduce our use of continental water. In 2021, sea water accounted for 45% of our water extraction, led by Antucoya and Centinela. Our target is for sea water and reused or recycled water to supply over 90% of our operational water use¹ by 2025.

- **Los Pelambres desalination plant.** Los Pelambres will begin to use sea water in the second half of 2022 when it completes construction of the first 400 l/s stage of a desalination plant. Its capacity will subsequently be doubled to 800 l/s by 2025,

allowing Los Pelambres to reduce its use of continental water. Desalinated and reused or recycled water will then account for more than 90% of its operational water use.

- **Centinela wells.** Centinela currently obtains 9% of its operational water from wells in a nearby area known as Calama Poniente. However, in December 2022, it will cease to use these wells and, instead, increase the capacity of its sea water pumping system and its reverse osmosis drinking water plant.

Zaldívar extracts continental water from wells located some 100 km from the mine. These water extraction permits will expire in 2025 and, as part of the Environmental Impact Assessment (EIA) submitted to extend the mine's life, we are seeking to extend them to 2031.

Water extraction and management

In 2021, operational water extraction at our operations totalled 69,008 megalitres (ML) compared to 67,963 ML in 2020. The increase was explained principally by higher mineral processing at Centinela and Antucoya.

Water extraction from each source is measured in terms of both rate of flow and volume in order to predict the source's behaviour and provide the authorities with compliance reports.

We have a Water Policy to complement our Sustainability Strategy. This will be supported by a Water Management Standard, which we expect to complete in the first half of 2022.

In reporting our water management, we apply the Water Reporting Good Practice Guide of

the International Council on Mining and Metals (ICMM). In addition, we report our water risk exposure in accordance with the requirements of the Water Programme of the Carbon Disclosure Project (CDP) as well as to the corresponding local authorities and other relevant bodies.

Water consumption at our operations occurs principally because of water that remains trapped in tailings and evaporation from tailings storage facilities (TSFs), ponds and leach pads. The measures we are taking to reduce this consumption include:

- **Los Pelambres.** This operation is working to increase the percentage of solids in the tailings sent to the El Mauro TSF from a historical average of around 57% to just over 60%. Each percentage point represents a saving of some 30-40 l/s.
- **Centinela.** For a decade now, Centinela has been using thickened tailings technology to save water by permitting concentrations of solids of up to 66-67%.

Operational water extraction by source, 2018-2021 (megalitres)

		2021	2020	2019	2018 ²
Los Pelambres	Total	26,817	27,847	21,633	25,308
	Surface water	15,790	19,481	13,898	16,534
	Groundwater	11,018	8,358	7,726	8,766
	Supplied by third parties	9	9	9	9
Centinela	Total	29,223	27,178	26,369	27,036
	Sea water	25,251	23,316	22,602	23,039
	Groundwater	3,972	3,862	3,356	3,136
	Supplied by third parties	-	-	410	861
Antucoya	Total	6,315	5,923	5,804	6,129
	Sea water	6,081	5,720	5,623	5,910
	Groundwater	234	204	181	219
Zaldívar	Total	6,653	7,015	7,015	7,229
	Groundwater	6,653	7,015	7,015	7,229
Antofagasta Minerals	Total	69,008	67,963	60,821	65,702
	Sea water	31,331	29,036	28,225	28,949
	Surface water	15,790	19,481	13,898	16,534
	Groundwater	21,878	19,438	18,279	19,350
	Supplied by third parties	9	9	419	870
	Sea water as % of total water extracted	45%	43%	46%	44%

1. As defined by the ICMM, operational water use is the volume of water needed to support operational tasks.

2. An over-estimate of sea water extraction by Centinela in 2018 has been corrected. Due to double accounting, this was originally reported as 24,538 ML. This also affected the total sea water and extraction figures of the Mining division in 2018.

Environmental Practices

Our environmental practices reflect our commitment to the sustainable development of our operations in the areas where they are located.

Highlights

- In 2021, we strengthened the regulatory risk management pillar of our Environmental Management Model.
- We have introduced a Tailings Policy to complement our implementation of the new Global Industry Standard on Tailings Management.

We recognise that mining, from exploration through to an operation's closure, has an impact on the environment in the surrounding area. Through our environmental management, we seek to prevent, control and mitigate the impacts we may have and, if they occur, to compensate appropriately. We also strive to ensure the efficient use of natural resources, particularly water.

Environmental Management Model

Our Sustainability Policy and Environmental Management Model are designed to ensure that our operations, exploration activities and projects consider environmental factors. The Environmental Management Model has four pillars: leadership, management of operational risks, management of regulatory risks, and reportability of environment-related operational events and environmental findings. It is supported by specific standards on significant environmental issues such as biodiversity and mine closure.

In 2021, we strengthened the Model's regulatory risk management pillar, developing a new platform to monitor the different processes through which the Superintendency for the Environment (SMA) verifies our compliance with regulation. We also introduced a new information system to ensure our operations are fully informed about any new regulatory requirements that may affect them.

The general manager of each mining operation is responsible for environmental matters. The operations' environmental teams monitor and report operational events, environmental risks and requirements to the corporate Environment area. Environmental performance is reported monthly to the Executive Committee.

The Internal Audit area performed the annual environmental audit on all our operations in 2021.

OUR ENVIRONMENTAL SUSTAINABILITY GOALS

- Ensure compliance with commitments related to our environmental permits and legal requirements and effectively implement critical environmental controls
- Ensure zero operational events with severe environmental impacts and/or sanctions from the authorities

- Design and enable the Group's operational continuity and development projects from the socio-environmental standpoint
- Incorporate innovations and future environmental management trends in how the Group operates
- Generate a culture of compliance, control and organisational learning on environmental matters.

Environmental compliance

In Chile, large-scale projects are subject to strict environmental and social impact assessments by the Environmental Evaluation Service (SEA) in order to obtain a Resolution of Environmental Approval (RCA). These RCAs include legally binding commitments on matters related to the prevention and mitigation of a project's impact on the environment and any necessary compensation measures.

Our mining operations have a total of 72 RCAs, entailing over 10,000 commitments on matters that range from conditions of construction, operation and closure to water use, air quality and biodiversity. In 2021, Centinela obtained two new RCAs:

- In July, the SEA approved the Declaration of Environmental Impact (DIA) for the exploitation of Polo Sur, an oxides body in the Centinela Mining District.
- In November, Centinela obtained approval of the DIA for its Alternative Disposal of Tailings in Pit project (see page 57).

In April, Los Pelambres submitted the Environmental Impact Assessment (EIA) for Phase 2 of the Pelambres Expansion project. This consists mainly in the expansion of the operation's desalination plant to a capacity of 800 l/s, up from 400 l/s as from 2022 under its Phase 1 expansion. It also includes the construction of a new Concentrate Transport System, with a route away from watercourses and communities.

Zaldívar is currently seeking approval of the EIA for its mine life extension project. The process has advanced through its different stages and is currently completing its technical evaluation while advancing in an indigenous consultation process with the nearby Peine community (see Communities chapter, page 44).

Reporting of operational events with environmental consequences

Operational events with environmental consequences are classified as Actual (high, medium or low) or, if they could, in slightly different circumstances, have caused an incident, Potential (high or low). All events are reported, evaluated and managed through an online corporate system and actual high or medium severity incidents are investigated by a commission established specifically for this purpose.

One incident of higher significance has been reported to the SMA. During work relating to the Los Pelambres Expansion project, industrial water was discharged into a storage pond and leaked into the surrounding area. Although there has been no measured impact on water quality in the area, it continues to be monitored. The incident has had reputational consequences and was immediately reported to the SMA.

Under the criteria established in the environmental assessment of each operation or project, 45 other events were also reported to the SMA in 2021.

Training

Environmental training programmes for both our operations and projects continued in 2021. They included workshops on matters pertaining to each operation, including the Copper Mark assurance system, biodiversity and heritage. These workshops are part of a training and communications programme, implemented at the corporate level and in each operation, in the framework of the Environmental Management Model.

Responsible production

Following a voluntary evaluation process, Centinela and Zaldívar have obtained registration under the Copper Mark, a global

¹ Chile's main environmental institutions are the Ministry of the Environment, which defines public policy; the Environmental Evaluation Service (SEA), which assesses projects' impacts; the Superintendency for the Environment (SMA), which is responsible for enforcement; and the Environmental Tribunals, which apply the General Environment Law and its associated regulation.



standard for the copper industry that demonstrates responsible production. Los Pelambres and Antucoya are implementing the process to obtain this assurance during 2022.

In addition, Antofagasta plc was one of the first nine companies to register with LMEpassport, the London Metal Exchange's new sustainability credentials register. Launched in August, it serves as a vehicle for companies to report their environmental, social and governance certifications and metrics.

Tailings

Our mining operations have three main tailings storage facilities (TSFs): the El Mauro and Los Quillayes conventional tailings dams at Los Pelambres and a thickened tailings deposit at Centinela. In addition, Zaldívar has a small TSF for tailings from the flotation of some of its sulphides. Los Quillayes, the original TSF at Los Pelambres, is partially closed and used only in emergencies or when required by operational needs.

All our TSFs are built using the safest downstream construction method and are designed to withstand severe earthquakes and extreme weather. They each have a designated Engineer of Record (EoR), an external person responsible for monitoring the TSF's integrity and supporting its technical operation. For the TSFs at Los Pelambres and Centinela, we also have an independent Review Board and, for Zaldívar, an external reviewer. In 2021, the

respective Engineers of Record once again confirmed the TSFs' compliance with international criteria.

Regular TSF inspections are carried out by the Chilean government's National Geology and Mining Service (SERNAGEOMIN). In 2021, these inspections produced no significant negative findings.

The SMA approved a plan presented by Zaldívar to remedy seepage from its TSF, detected by the authority in 2020.

We are working to implement the Global Industry Standard on Tailings Management. Its launch in August 2020 followed completion of the Global Tailings Review, co-convened by the International Council on Mining and Metals (ICMM), the United Nations Environment Programme (UNEP) and the Principles for Responsible Investment (PRI) in the wake of the failure of TSFs in Brazil and Canada.

We have completed detailed planning for the Standard's implementation at Los Pelambres and Centinela and expect to complete planning for Zaldívar in 2022. We are committed to completing the Standard's implementation at Los Pelambres by August 2023 and, at Centinela and Zaldívar, by August 2025.

El Mauro is serving as a pilot for *Programa Tranque* (Tailings Programme), a public-private initiative managed by Fundación Chile, a technology transfer institute. Its aim is to

develop an online system for monitoring a TSF's physical and chemical stability. After a delay in 2020, due to the pandemic, work resumed in 2021, with a view to the programme's completion in 2022.

In 2021, Centinela completed pre-feasibility studies for a project to use abandoned mine pits to store tailings. In November, the project, which would complement the operation's thickened tailings deposit, obtained environmental approval and, in 2022, will move on to its feasibility stage. As well as having safety and environmental advantages, in-pit storage would extend the life of the thickened tailings deposit.

Other mining waste

The waste rock our operations remove in order to extract ore and the spent ore generated by leaching processes are stored in specially prepared dumps at our mine sites. In Chile, the location, operation and closure of these dumps must be authorised by the environmental authorities and SERNAGEOMIN.

Circular economy

Our processes generate hazardous industrial waste, such as used oil and batteries, as well as non-hazardous waste, such as sludge and timber. All are managed in accordance with legal requirements.

Whenever possible, we reduce waste or recycle it to avoid its final disposal. In 2022, we plan to carry out a study as a prior step to drawing up an internal Circular Economy Strategy.

In 2021, we continued to participate in a public-private Circular Economy Committee. Its purpose is to review recycling initiatives at the industry level, establish contact with the suppliers involved in these initiatives and prepare a diagnosis ahead of the next steps in the gradual implementation of Chile's Extended Producer Responsibility (REP) Law. Under this Law, manufacturers and importers of priority products must take responsibility for them once their useful life has ended.

In parallel, we have implemented a number of circular economy initiatives. In 2020, Centinela launched a project to recycle the high-density polyethylene (HDPE) piping it uses to irrigate its leach pads. Thanks to a new shredding technology, the material is compacted for

NEW TAILINGS POLICY

Antofagasta Minerals views tailings management as a key aspect of both the sustainability of its operations and relations with nearby communities. In line with this, we have drawn up a new Tailings Policy, published in January 2021 and available on the Antofagasta Minerals website (in Spanish).

Complementing our work to implement the

Global Industry Standard on Tailings Management (GISTM), the Policy is designed to further increase the rigour with which we manage our TSFs and sets out four key commitments:

- Ensure the stability of our TSFs throughout their life cycle, over and above production and cost considerations
- Identify and manage environmental impacts, including climate-related aspects

such as efficient water reuse and the promotion of technologies that reduce the generation of tailings

- Implement a system of TSF governance in line with the GISTM that, among other considerations, fosters continuous improvement
- Maintain open and transparent communication with stakeholders (employees, communities and authorities).

/ Environmental practices

transport to Santiago where it is treated to produce the raw material for geosynthetics or, for example, new HDPE products. In 2021, Antucoya and Zaldívar also adopted this model.

Air quality

All our mining operations have robust programmes to control dust emissions (PM10 and 2.5). They are monitored permanently, in some cases with the participation of the local community. In addition, air quality data is reported monthly to the regional authority.

At Los Pelambres, climate change in the form of the drought and an intensification of wind patterns has posed new challenges as regards dust from the El Mauro TSF and the mine itself. Air quality norms have not been breached but concern about air quality has heightened in nearby communities.

In the case of El Mauro, following a meteorological incident in 2020 when dust was visible from the Pupío Valley and the nearby town of Caimanes, we have implemented a series of additional voluntary controls in conjunction with the SMA and no further incidents have occurred. In the case of the mine, in response to concern in Cuncumén, a nearby town, we have established a working group to deepen our understanding of the phenomenon and review the effectiveness of existing measures.

Mine closure

As required under Chilean law, all our operations have closure plans approved by SERNAGEOMIN. In addition, we have our own Integrated Mine Closure Standard, which includes tools to facilitate the opportune and

effective preparation of closure plans as well as guidelines for compliance with regulatory requirements.

In 2021, Antucoya presented the required five-year update of its closure plan for review by SERNAGEOMIN. The authority is also reviewing a modification of Centinela's closure plan, presented in late 2020, to incorporate new installations.



Biodiversity



Biodiversity is a key part of our Climate Change Strategy, which identifies two priorities in this field:

- **Nature-based solutions (NbS) for the capture of CO₂.** Explore and innovate in NbS projects that contribute to the Group's emissions reduction pathway in the medium and long term, improving environmental management and contributing to protection and care for biodiversity.
- **Nature-based solutions for adaptation to physical risks.** Explore and innovate in NbS initiatives to address adaptation to both acute and chronic physical risks, corresponding to the different climate change scenarios projected by the Group.

Nature-based solutions seek to use nature's own resources to help tackle environmental challenges. Examples include the protection and replanting of woodland, with its capacity to absorb carbon dioxide, and the restoration of wetlands, both of which form part of our portfolio of biodiversity measures.

Biodiversity Standard

Since 2016, we have applied a Biodiversity Standard that seeks not only to ensure net zero loss of biodiversity but also to generate additional benefits. The Standard is aligned with the ICMM's position statement on Mining and Protected Areas.

We are in the process of updating the Standard, putting a greater emphasis on the

mitigation hierarchy (prevent, mitigate, compensate) as well as nature-based solutions throughout the different phases of the mining cycle (exploration, projects, operations and closure).

Protected areas

The Choapa Valley, where Los Pelambres is located, is particularly rich in biodiversity. In line with this, the operation protects and conserves an area of over 27,000 hectares, equivalent to seven times that used by the mine and its related installations. The protected area includes four nature sanctuaries:

- **Laguna Conchalí.** This coastal wetland, which was abandoned before Los Pelambres undertook its restoration, is a key staging area for migratory birds. Located 4 km north of the town of Los Vilos, it is recognised under the international Ramsar Convention on Wetlands.
- **Monte Aranda.** The principal value of this nature sanctuary, close to Los Pelambres, is its populations of the Chilean palm, an endemic species classified as vulnerable by the International Union for Conservation of Nature (IUCN).
- **Quebrada Llau-Llau.** This sanctuary is home to some of the area's endangered species such as the *arrayán blanco* (white Chilean myrtle) and *canelo* (winter's bark tree).
- **Cerro Santa Inés.** Acquired for conservation by Los Pelambres in 2014 and declared a nature sanctuary by the Chilean

government in July 2020, this site contains a relict rainforest that has survived the area's semi-arid climate, thanks to the coastal fog that often enshrouds the hill.

Northern Chile

The portfolio of biodiversity initiatives being implemented by Antofagasta Minerals also comprises a number of projects in northern Chile where our other three mining operations are located. They include:

- **Environmental Education Trail, Morro Moreno National Park.** In alliance with partners that include the Catholic University of the North (UCN) and CONAF, Chile's national forest service, we are working to develop the educational potential of this national park, located close to the port of Mejillones.
- **High-Altitude Desert Agricultural Centre.** Located at the Zaldívar mine, this joint venture with the University of Chile is studying and improving the genetics of plants that are not only able to grow in the harsh desert conditions, but can also be used to produce biofuels.
- **Rumpa de Iquique.** In the area known as Devil's Ravine on the coast of the Atacama Desert, Centinela is protecting and seeking to propagate this slow-growing cactus which, depending on the particular area, is classified as vulnerable or endangered.



APPENDICES



Independent assurance letter

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INDEPENDENT REVISION REPORT OF ANTOFAGASTA MINERALS SUSTAINABILITY REPORT 2021

Dear Shareholders and Directors
Antofagasta Minerals S.A.

Please find herein the outcomes of the revision of the 2021 Sustainability Report of Antofagasta Minerals.

Scope

This revision was limited to evaluate the adherence of the contents and indicators included in the 2021 Sustainability Report to the Global Reporting Initiative (GRI) Standards, which arose from the materiality process that the Company carried out following the aforementioned Standards. In addition, this revision included the verification of the compliance with the Principles of Sustainable Development and the Position Statements of the International Council on Mining and Metals (ICMM).

Standards and Assurance Process

We have carried out our assignment in accordance with the sustainability standards of the Global Reporting Initiative and the Assurance Criteria according to the subject matter object of analysis 1,2,3 and 4 of the International Council on Mining and Metals, according to the standards of Independence established in the Code of Ethics of the International Federation of Accounts (IFAC).

The activities performed to carry out this assessment included the gathering of information, the application of analytic procedures and the performance of verification tests. These activities are described as follows:

- ✓ Meetings with the sustainability management area.
- ✓ Understanding of the Materiality Process carried out by Antofagasta Minerals.
- ✓ Evidence reviews with the areas participating in the preparation of the 2021 Report.
- ✓ Analysis of the adherence of the contents of the 2021 Sustainability Report to the GRI Standards: Core option, and review of the indicators included in the report in order to verify that they are aligned with the protocols established in the Standards, and whether the fact that some indicators are not applicable or not materiality is justified.
- ✓ Verification, through assurance tests, of the information corresponding to the indicators included in the 2021 Sustainability Report and its adequate gathering from the data provided by Antofagasta Minerals information sources.

The drafting of the 2021 Sustainability Report, as well as its contents are under Antofagasta Minerals responsibility, which is in charge of the definition, adaptation, and maintenance of the management and internal control systems from who the information is obtained.

Our responsibility is to issue an independent report based on the procedures applied in our review.

The indicators reported and verified are indicated in the GRI Content Index, located on pages 69 to 79 of the 2021 Sustainability Report of Antofagasta Minerals.

Conclusions

Regarding the verified indicators, we can affirm that no aspect has been revealed that would make us believe that the Antofagasta Minerals 2021 Sustainability Report has not been prepared in accordance with the GRI Standard or with the Assurance Criteria according to the subject matter object of analysis 1,2,3 and 4 of the International Council on Mining and Metals (ICMM), in the aspects indicated in the scope.



Christian Durán
Partner

March 30th, 2022

Materiality

At Antofagasta Minerals, we conduct a full materiality assessment every two years to identify the sustainability issues that are most important to our business and stakeholders. The last exercise was carried out in 2020 and comprised three stages:

- **Identification of potential issues.** Through desktop research into existing, new and emerging material topics for the copper mining industry in Chile and internationally, we identified 38 potential topics, grouped into four broad categories: governance and economic performance, people, the environment and social engagement.

- **Prioritisation of issues.** Based on internal workshops with the Executive Committees of our four mines and the corporate Public Affairs and Communications teams, a survey of our operations' union leaders and interviews with external stakeholders, we prioritised these topics and drew up a draft materiality matrix for each operation.
- **Validation.** These matrices were presented to Antofagasta's Executive Committee for their validation and were then weighted by the size of the operation and the level of risk to produce a materiality matrix for Antofagasta Minerals as well as Antofagasta plc.

In 2021, we monitored the material issues raised in the 2020 exercise by reviewing specialist investor and analyst reports,

perception surveys and the media to ensure this Sustainability Report covers issues of interest to stakeholders. Our Social Management Model and bottom-up approach to engaging with communities also alerts us to emerging issues.

The most significant issues in terms of their importance to stakeholders and the potential size of their economic, social and environmental impact are: greenhouse gas emissions, water management, safety and health, ethics and compliance, creation of local jobs and capacity building, tailings and dust, and community relations.

2021 MATERIALITY MATRIX

INFLUENCE ON STAKEHOLDERS' ASSESSMENTS & DECISIONS	HIGH		<ul style="list-style-type: none"> • Human rights • Air quality • Responsible supply chain management • Transparency 	<ul style="list-style-type: none"> • Renewable energies • GHG emissions • Water management • Safety and health • Ethics and compliance • Creation of local jobs and capacity building • Tailings and dust • Community relations
	MEDIUM	<ul style="list-style-type: none"> • Higher-quality education in regions 	<ul style="list-style-type: none"> • Corporate governance • Labour relations • Emergency planning • Indigenous peoples • COVID-19 • Extreme weather events • Traffic congestion 	<ul style="list-style-type: none"> • Economic performance and contribution • Talent attraction, development and retention • Diversity and inclusion • Automation and digitalisation • Political outlook (elections, constitutional reform) • Regulatory changes • Project permitting
	LOW	<ul style="list-style-type: none"> • Mine closure • Circular economy 	<ul style="list-style-type: none"> • Biodiversity • Marine pollution • Non-mining waste management • Urban development plan (Transport division) 	<ul style="list-style-type: none"> • Operational innovation
		LOW	MEDIUM	HIGH
		SIGNIFICANCE OF ORGANISATION'S ECONOMIC, ENVIRONMENTAL & SOCIAL IMPACTS		

ICMM Mining Principles

Antofagasta Minerals is a member of the International Council on Mining and Metals (ICMM), an international organisation that brings together 27 mining and metals companies and over 35 commodity associations. As a member, we adhere to ICMM’s Sustainable Development Framework that is comprised of ten Mining Principles, each with its own set of Performance Expectations, on environmental, social and governance matters.

The Mining Principles were originally published in 2003 to establish a standard of ethical performance for ICMM members. Over the

years, ICMM expanded on these principles with the publication of eight position statements on key issues such as water stewardship and transparency of mineral revenues.

In 2018, ICMM launched a global public consultation on the introduction of a comprehensive set of Performance Expectations on how members should manage the sustainability issues contained in each of the Mining Principles. Published in 2020, the 38 Performance Expectations were developed with extensive input from non-governmental organisations (NGOs), international organisations and academics.

ICMM members are required to conduct annual self-assessments on their assets’ implementation of the Performance Expectations, with third-party validations taking place every three years. Validation activities must be disclosed annually to inform manufacturers, financial institutions, investors or other interested parties of progress on implementation.

In 2021, all of Antofagasta Minerals’ mining operations completed the self-assessment against the Performance Expectations. Third-party audits on implementation are planned in 2022. A summary of the self-assessment is provided below.

ICMM PERFORMANCE EXPECTATIONS

Mining Operation	Meets	Partially Meets	Doesn't Meet	N/A	Notes
ANTUCOYA	34	1	0	3	<ul style="list-style-type: none"> The partially met items are due to gaps identified in the Copper Mark assurance process. For more information, please review the appendix on Copper Mark on pages 66-67.
CENTINELA	33	3	0	2	
PELAMBRES	34	3	0	1	
ZALDÍVAR	29	7	0	2	

For further information, on the Performance Expectations contained in ICMM’s Mining Principles, visit the ICMM’s website: www.icmm.com/en-gb/about-us/member-requirements/mining-principles



ICMM sustainability reporting requirements

Alongside a commitment to implement the mandatory requirements of ICMM's Mining Principles, company members are required to publicly report on their sustainability performance against the Global Reporting

Initiative (GRI) Sustainability Reporting Standards (minimum Core option). In addition, annual assurance is to be provided by an independent third-party using a recognised assurance standard (see page 62).

The table below shows the pages in this report where details can be found of Antofagasta Minerals' initiatives and progress for each one of ICMM's Mining Principles.

ICMM Principles		Page
1 Ethical Business	Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.	24-31
2 Decision-Making	Integrate sustainable development principles in corporate strategy and decision-making processes.	10-15, 26-27, 62
3 Human Rights	Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.	10, 26, 29, 43, 63
4 Risk Management	Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risk.	28-31
5 Health and Safety	Pursue continual improvement in safety and health performance with the ultimate goal of zero harm.	40-41, 63
6 Environmental Performance	Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.	50-58
7 Conservation of Biodiversity	Contribute to the conservation of biodiversity and integrated approaches to land-use planning.	59
8 Responsible Production	Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.	56-58, 64, 66-67
9 Social Performance	Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.	42-49
10 Stakeholder Engagement	Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.	18-21

ICMM Position Statements	Page
Climate Change	50-55
Mining and Protected Areas	59
Indigenous Peoples and Mining	29
Mining Partnerships for Development	20-21
Mercury Risk Management	Antofagasta Minerals does not produce mercury or use it in its processes.
Transparency of Mineral Revenues	See our Payments to Governments Report: www.antofagasta.co.uk/investors/news/2021/payments-to-governments-2020/
Water Stewardship	55
Tailings Governance Framework	57

The Copper Mark

Launched in March 2020, the Copper Mark is an independent assurance framework of the copper industry’s responsible mining practices that addresses the demand for greater disclosure on environmental, social and governance performance by investors, NGOs and wider society in general. Our Centinela and Zaldívar mines were awarded the Copper Mark in 2021, and Los Pelambres and Antucoya will complete the assessment in 2022.

Inspired by the UN’s Sustainable Development Goals (SDGs), the Copper Mark involves the independent verification of activities based on 32 responsible production criteria in five categories: governance, labour rights, environment, community and human rights.

The framework also covers the Joint Due Diligence Standard to enable copper, lead, zinc and nickel companies to comply with the London Metal Exchange (LME) Responsible Sourcing Requirements that come into force at the end of 2023. The Joint Standard, which represents Criterion 31 on Due Diligence in Mineral Supply Chains of the Copper Mark assurance framework, is still subject to formal LME approval.

Copper-producing sites that commit to the Copper Mark Assurance Process must follow a strict timeframe, meeting all criteria with 24 months of signing, and to reassessment every three years.

By the end of 2021, 18 copper producing sites – including mines, smelters and refineries – had been assessed and awarded the Copper Mark seal worldwide and another 15 sites had signed Letters of Commitment to participate in the framework.

The Copper Mark Criteria for Responsible Production

The Copper Mark criteria is a management system that follows the Risk Readiness Assessment (RRA), created by the Responsible Minerals Initiative, an alliance of more than 380 companies which seek responsible mineral sourcing in their supply chains.


Our Centinela and Zaldívar mines were awarded the Copper Mark in July 2021 and August 2021, respectively, and are implementing improvement plans to fully meet all criteria within 12 months. As in the initial process, final compliance will be independently verified.

For more information, visit the Copper Mark site: www.coppermark.org.

The Copper Mark Assurance Process



	Copper Mark Criteria	Centinela	Zaldívar
1.	Legal Compliance	Fully meets	Fully meets
2.	Business integrity	Fully meets	Fully meets
3.	Stakeholder engagement	Fully meets	Fully meets
4.	Business relationships	Fully meets	Fully meets
5.	Child labour	Fully meets	Fully meets
6.	Forced labour	Fully meets	Fully meets
7.	Freedom of association and collective bargaining	Fully meets	Partially meets
8.	Discrimination	Fully meets	Fully meets
9.	Gender equality	Fully meets	Fully meets
10.	Working hours	Fully meets	Fully meets
11.	Remuneration	Fully meets	Fully meets
12.	Occupational health and safety	Partially meets	Fully meets
13.	Grievance mechanism	Partially meets	Partially meets
14.	Environmental risk management	Fully meets	Fully meets
15.	Greenhouse gas emissions (GHG)	Fully meets	Fully meets
16.	Energy consumption	Fully meets	Fully meets
17.	Freshwater management and conservation	Fully meets	Fully meets
18.	Waste management	Fully meets	Fully meets
19.	Tailings management	Fully meets	Fully meets
20.	Pollution	Fully meets	Fully meets
21.	Biodiversity and protected areas	Fully meets	Fully meets
22.	Mine closure and reclamation	Fully meets	Fully meets
23.	Community health and safety	Fully meets	Fully meets
24.	Community development	Fully meets	Fully meets
25.	Artisanal and small-scale mining	N/A	N/A
26.	Human rights	Fully meets	Fully meets
27.	Security and human rights	Partially meets	Partially meets
28.	Indigenous peoples' rights	Fully meets	Fully meets
29.	Land acquisition and resettlement	N/A	N/A
30.	Cultural heritage	Fully meets	Fully meets
31.	Due diligence in mineral supply chains	Partially meets	Partially meets
32.	Transparency and disclosure	Fully meets	Fully meets

 For more detail, refer to the summary assurance reports on the Copper Mark site: www.coppermark.org/participants-home/participants/

Sustainability goals

We have a set of indicators to measure and evaluate our sustainability performance. Most of these indicators are included in the Performance Agreements of each mining operation and our corporate offices, while others are aspirational goals that we have defined to complement these targets.

STRATEGIC AREA	2021 TARGET	2021 PERFORMANCE	COMMENT
PEOPLE			
Zero fatal accidents	0	1	In July 2021, Fernando Silva López, a worker for a contractor company at Los Pelambres, tragically lost his life in a fatal accident. A team, comprised of representatives from our four operations and corporate offices, conducted a rigorous investigation into the accident and its causes to ensure that the lessons learned are integrated into our safety management system.
High potential incidents (HPIs)	10% reduction with respect to 2020	20% reduction with respect to 2020	In 2020, we began to use high potential incidents as a safety indicator in the Performance Agreements of our own employees with the aim of favouring a preventive, resilient safety culture. During the year, we registered 57 of these cases, which represents a 20% decrease compared to the previous year.
Diversity and inclusion	Increase women's participation to 16.4%; ensure that people with disabilities represent more than 1% of our workforce	Women's participation increased to 17.4% and people with disabilities represented 1.2% of our workforce	Women's workforce participation reached 17.4%, surpassing our target a year early of doubling women's participation by the end of 2022, compared to the baseline of 8.6% at the beginning of 2018.
SOCIAL			
Social management	95-100% execution of planned social initiatives; 100% execution of impact measurement programme	100% execution of planned social initiatives and the impact measurement programme, in addition to completion of an action plan to improve the initiatives measured in 2020	In addition, in 2022 we will launch an impact ecosystem with various instruments to measure the social impact of initiatives in our areas of influence.
ENVIRONMENT			
Compliance with regulatory requirements	100% compliance with internal plan for high and medium-risk regulatory requirements	100% compliance with plan	The operations worked on the implementation of their plan to close 36 gaps in high and medium-risk environmental undertakings entered into in 2021.
Reduction of GHG emissions	100% compliance with the Scope 1 and 2 emissions budget	Antofagasta Minerals' GHG emissions were 2.8% below the emissions budget, meeting it by more than 100%	In 2021, the operations continued to implement significant energy efficiency projects that contributed to emissions reduction.
ECONOMIC PERFORMANCE			
EBITDA	\$4,283 million	\$4,768 million	EBITDA was higher than the proposed target due to higher copper prices, efficient cost control and solid production.
Copper production	701.5 – 723.2 kt	721.5 kt	Copper production was 721,500 tonnes, 1.6% less than 2020, reflecting lower grades and the impact of the drought at Los Pelambres, partially offset by higher grades at Centinela Concentrates.
TRANSPARENCY AND CORPORATE GOVERNANCE			
Ethics and compliance	Centralise the Group's investigations into complaints in the Corporate Risk and Compliance team	The model for centralising complaints in the Corporate Risk and Compliance team was successfully implemented	The centralisation of complaints in a single team ensures the standardisation of complaint resolution processes.
Risk management	Identification of the physical and transition risks of climate change in accordance with the TCFD	Business-relevant physical and transition risks were identified and action plans implemented to manage them	Physical and transition risks were integrated into our key risk matrix, allowing for the transversal, multidisciplinary monitoring and review of committed plans.
Human rights	Update Human Rights Policy and develop Indigenous Peoples Engagement Standard	Preparation of update to the Human Rights Policy, to reinforce indigenous commitments, and Indigenous Peoples Engagement Standard	Approval of the updated Human Rights Policy during the first half of 2022, including a statement on the alignment of our security practices with the Voluntary Principles on Security and Human Rights and incorporation of group's commitment to respect the rights of indigenous peoples.

Summary of sustainability performance

INDICATOR	BASIS OF CALCULATION	GRI Standards	2021	2020	2019	2018
Economic Performance						
ECONOMIC						
Copper production	Thousands of tonnes	102-7	721.5	733.9	769.9	725.3
Revenue	Millions of US dollars. Excluding non-operating revenue	102-7	7,300.1	4,979.9	4,804.0	4,560.3
EBITDA	Millions of US dollars	102-7	4,768.0	2,678.2	2,358.1	2,139.4
Economic value generated and distributed						
Operating revenue and sale of assets (a)	Millions of US dollars. Including non-operating revenue	201-1	7,752.7	5,301.1	5,517.8	5,192.8
Investment income (b)	Millions of US dollars	201-1	5.0	19.3	48.1	30.1
Economic value generated (a+b)	Millions of US dollars	201-1	7,757.7	5,320.3	5,565.8	5,222.9
Workers: remuneration and benefits	Millions of US dollars	201-1	495.1	456.0	440.0	449.6
Suppliers: purchase of utilities, goods and services	Millions of US dollars	201-1	4,263.8	3,439.4	3,368.8	3,104.3
Community: Contributions to community projects	Millions of US dollars	201-1	47.8	45.1	39.5	33.7
Financing: payments to lenders	Millions of US dollars	201-1	83.0	51.4	74.0	66.1
State: taxes	Millions of US dollars	201-1	779.9	332.4	411.4	566.9
Shareholders: dividends	Millions of US dollars	201-2	1,315.4	411.2	920.4	587.0
Economic value distributed	Millions of US dollars	201-1	6,984.9	4,735.5	5,254.0	4,807.6
Economic value retained	Millions of US dollars	201-1	772.6	584.8	311.8	415.3
RESPONSIBLE SUPPLY						
Suppliers	Annual average	102-7	1,240.8	2,214.0	2,907.0	4,028.0
From Antofagasta and Coquimbo Regions	Percentage of total	102-8; 204-1	24.4%	22.2%	24.0%	36.1%
From other regions in Chile	Percentage of total	102-8	72.8%	71.8%	70.4%	57.2%
From outside Chile	Percentage of total	102-8	2.7%	5.9%	5.4%	6.7%
Local suppliers	Number of suppliers from Antofagasta and Coquimbo Regions	102-8	303.1	494.0	688.0	1,455.0
Purchases	Millions of US dollars. Total purchases	204-1	4,231.8	3,067.0	3,194.1	3,217.6
Local purchases	Millions of US dollars in purchases of goods and services net of VAT in Antofagasta and Coquimbo Regions	204-1	579.8	368.0	386.5	1,928.8
Purchases from other regions in Chile	Millions of US dollars	204-1	3,542.2	2,575.1	2,709.1	1,138.0
Purchases outside Chile	Millions of US dollars	204-1	109.8	123.5	96.1	150.9
Purchases from SMEs	Millions of US dollars	204-1	410.8	321.7	327.1	468.9

/ Summary of sustainability performance

INDICATOR	BASIS OF CALCULATION	GRI Standards	2021	2020	2019	2018
TRANSPARENCY AND CORPORATE GOVERNANCE						
CORPORATE GOVERNANCE						
Board composition						
Male directors	As at 31 December	102-22; 405-1	7	8	9	9
Female directors	As at 31 December	102-22; 405-1	3	2	2	2
Board tenure: 1 to 5 years	As at 31 December	102-22	4	3	3	3
Board tenure: 6 to 9 years	As at 31 December	102-22	3	4	4	3
Board tenure: Over 9 years	As at 31 December	102-22	3	3	4	5
Independent	As at 31 December	102-22	6	6	7	6
Not independent	As at 31 December	102-22	4	4	4	5
Executive	As at 31 December	102-22	-	-	-	-
Non-executives	As at 31 December	102-22	10	10	11	11
Board's diversity						
Female directors	Percentage	405-1	30%	25%	22%	22%
Male directors	Percentage	405-1	70%	75%	78%	78%
Directors under 30 years old	Percentage	405-1	-	-	-	-
Directors between 30 and 50 years old	Percentage	405-1	-	-	-	-
Directors over 50 years old	Percentage	405-1	100%	100%	100%	100%
ETHICS AND COMPLIANCE						
Code of Ethics						
Complaints received under the Code	Number	102-17	141	357	198	120
Complaints resolved	Percentage	102-17	65%	94%	76%	82%
PEOPLE						
EMPLOYEES AND CONTRACTORS						
Breakdown of own employees						
Permanent and full-time employees	Annual average number	102-8	5,547	5,325	5,185	5,108
Permanent and full-time employees	As at 31 December		5,748	5,416	5,237	5,145
Employees	Percentage of all employees and contractors	102-8	22%	25%	22%	26%
Men	Annual average number	102-8	4,682	4,693	4,698	4,670
Male participation	Percentage of employees	102-8	84%	88%	91%	91%
Women	Annual average number	102-8	865	632	487	438
Women	As at 31 December		1,002	789	532	453
Female participation	Percentage of employees	102-8	16%	12%	9%	9%
Female participation	Percentage as at 31 December		17.4%	14.6%	10.2%	8.8%

INDICATOR	BASIS OF CALCULATION	GRI Standards	2021	2020	2019	2018
Position and gender of employees						
Supervisors	Annual average number	405-1	1,764	1,643	1,596	1,491
Male supervisors	Percentage	405-1	75.0%	78.5%	81.9%	83.2%
Female supervisors	Percentage	405-1	25.0%	21.5%	18.1%	16.8%
Executives	Annual average number	405-1	314	295	275	269
Male executives	Percentage	405-1	83.9%	87.8%	90.6%	91.0%
Female executives	Percentage	405-1	16.1%	12.2%	9.4%	9.0%
Operators	Annual average number	405-1	3,469	3,387	3,314	3,348
Male operators	Percentage	405-1	89.2%	92.8%	95.0%	95.1%
Female operators	Percentage	405-1	10.8%	7.2%	5.0%	4.9%
Diversity & Inclusion						
World talent	Percentage of foreign employees	102-8	1.4%	1.1%	1.1%	1.0%
Disabilities	Percentage of employees with disabilities	102-8	1.2%	1.2%	0.5%	0.1%
Labour relations						
Union membership	Annual average number of unionised employees	405-1	4,203	4,150	4,027	3,884
	Percentage of unionised employees	405-1	81%	78%	78%	76%
Training						
Hours of training	Total hours	404-1	241,093	155,971	253,558	259,316
Hours of training per employee	Hours/employee	404-1	43.46	30.52	48.90	50.77
Amount spent on training	Thousands of US dollars	404-1	1,510.6	1,165.1	3,181.8	4,633.7
Amount spent per employee	US dollars/employee	404-1	272.3	228.0	613.6	907.0
Performance evaluation						
Employees with performance evaluation	Percentage	404-3	35%	33%	34%	33%
Talent management						
Key roles filled internally	Percentage	405-1	53%	59%	53%	62%
Employee turnover						
Total turnover rate	Percentage	401-1	4.2%	2.2%	3.0%	9.6%
Contractors						
Contractors	Annual average number	102-9	19,571	16,053	17,929	14,333
Contractors	Percentage of all employees and contractors	102-9	78%	75%	78%	74%

/ Summary of sustainability performance

INDICATOR	BASIS OF CALCULATION	GRI Standards	2021	2020	2019	2018
SAFETY AND HEALTH						
Employees and contractors						
Fatalities	Number in the year	403-9	1	0	0	1
Fatality rate	Number of fatalities per 1,000,000 hours worked	403-9	0.02	0.00	0.00	0.02
Number of recordable occupational accident injuries	Number	403-9	136	137	134	138
Total Recordable Injury Frequency Rate (TRIFR)	Number of accidents in the year with and without lost time per 200,000 hours worked	403-9	0.46	0.55	0.54	0.63
Number of accidents with lost-time injuries	Number	403-9	66	36	37	47
Lost Time Injury Frequency Rate (LTIFR)	Number of lost time incidents in the year per million hours worked	403-9	1.12	0.73	0.75	1.1
Occupational Illness Frequency Rate (OIFR)	Number of occupational illnesses in the year per million hours worked	403-10	0.07	0	n/a	n/a
Occupational Illnesses	Number of occupational illnesses contracted in the year	403-10	4	0	n/a	n/a
All Injury Frequency Rate (AIFR)	Number of accidents in the year with and without lost time, plus first aid, per million hours worked	403-9	6.64	6.14	5.73	5.13
Near misses	Number of near misses reported in the year per million hours worked	403-9	277	298	259	198
Total hours worked	Number	403-9	59,896,857	49,523,428	49,371,505	43,624,583
Employees						
Fatalities	Number in the year	403-9	0	0	0	0
Fatality rate	Number of fatalities per 1,000,000 hours worked	403-9	0.00	0.00	0.00	0.00
Number of recordable occupational accident injuries	Number	403-9	25	25	18	30
Total Recordable Injury Frequency Rate (TRIFR)	Number of accidents in the year with and without lost time per 200,000 hours worked	403-9	0.45	0.46	0.33	0.59
Number of accidents with lost-time injuries	Number	403-9	12	6	6	13
Lost Time Injury Frequency Rate (LTIFR)	Number of lost time incidents in the year per million hours worked	403-9	1.08	0.55	0.58	1.28
All Injury Frequency Rate (AIFR)	Number of accidents in the year with and without lost time, plus first aid, per million hours worked	403-9	3.86	4.53	3.76	4.32
Near misses	Number of near misses reported in the year per million hours worked	403-9	515	485	475	386
Total hours worked	Number	403-9	11,134,878	10,812,185	10,360,269	10,187,344
Occupational Illnesses	Number of occupational illnesses contracted in the year	403-10	2	0	n/a	n/a
Contractor						
Fatalities	Number in the year	403-9	1	0	0	1

INDICATOR	BASIS OF CALCULATION	GRI Standards	2021	2020	2019	2018
Fatality rate	Number of fatalities per 1,000,000 hours worked	403-9	0.02	0.00	0.00	0.03
Number of recordable occupational accident injuries	Number	403-9	112	112	116	108
Total Recordable Injury Frequency Rate (TRIFR)	Number of accidents in the year with and without lost time per 200,000 hours worked	403-9	0.46	0.58	0.6	0.65
Number of accidents with lost-time injuries	Number	403-9	54	30	31	34
Lost Time Injury Frequency Rate (LTIFR)	Number of lost time incidents in the year per million hours worked	403-9	1.13	0.77	0.79	3.23
All Injury Frequency Rate (AIFR)	Number of accidents in the year with and without lost time, plus first aid, per million hours worked	403-9	7.28	6.56	6.25	5.38
Near misses	Number of near misses reported in the year per million hours worked	403-9	223	246	201	141
Total hours worked	Number	403-9	48,761,979	38,711,243	39,011,236	33,437,239
Occupational Illnesses	Number of occupational illnesses contracted in the year	403-10	2	0	n/a	n/a
SOCIAL DEVELOPMENT						
COMMUNITIES						
Operations with community participation	Percentage of all operations	413-1	100%	100%	100%	100%
Local employment						
Local employees	Annual average number of employees from Antofagasta and Coquimbo Regions	203-2	2,188	2,144	2,158	2,227
	Percentage of employees from Antofagasta and Coquimbo Regions	203-2	39%	40%	42%	44%
Local supervisors	Annual average number of supervisors that declare residence in Antofagasta and Coquimbo Regions	202-2	179	205	217	216
ENVIRONMENTAL MANAGEMENT						
Environmental incidents and fines						
Incidents with an environmental impact	Number of high potential environmental incidents	306-3	0	0	0	0
Number of environmental fines	Number of fines	307-1	6	6	7	5
Payments in environmental fines	US dollars	307-1	27,305	57,311	15,636	12,273
Responsible mine closure						
Closure plans	Percentage of operations with closure plans	MM10	100%	100%	100%	100%
WATER MANAGEMENT (see ICMM Water)*						
Total water withdrawal	Megalitres	303-3	69,009.7	67,963.3	60,820.8	65,702.2
Sea water	Megalitres	303-3	31,332.0	29,035.6	28,225.2	28,948.8
Surface water	Megalitres	303-3	15,790.5	19,480.9	13,898.0	16,534.3
Groundwater	Megalitres	303-3	21,878.7	19,438.1	18,278.7	19,349.6

* This year, the measurement of water consumption and waste was more thorough, providing a more precise and detailed result.

INDICATOR	BASIS OF CALCULATION	GRI Standards	2021	2020	2019	2018
Third-party suppliers	Megalitres	303-3	8.6	8.6	418.9	869.5
Change in water in storage	Megalitres		-1,502.7	-613.0	-5,086.9	-190.5
Sea water	Percentage of total water withdrawal		45%	43%	46%	44%
Water reuse rate	Percentage of water reused in processes		83%	85%	87%	87%
CLIMATE CHANGE AND RENEWABLE ENERGIES						
ENERGY CONSUMPTION						
Electricity	Giga Joules	302-1	12,534,692	12,580,542	12,349,688	11,938,424
Fuel	Giga Joules	302-1	14,234,849	12,499,945	11,939,589	11,962,226
Energy intensity	kWh/tonne payable copper	302-3	4,054	4,762	4,456	4,572
Renewable energy						
Renewable energy	GWh consumed from alternative sources	302-1	1,078.09	679.16	751.43	794.00
	Percentage of total consumption	302-1	31%	19%	22%	23%
GREENHOUSE GAS EMISSIONS						
Scope 1, direct emissions	Tonnes CO ₂ equivalent emissions	305-1	987,948	1,055,322	993,430	1,026,219
Scope 2, indirect emissions	Tonnes CO ₂ equivalent emissions	305-2	1,311,888	1,289,890	1,392,224	1,391,694
CO ₂ emissions intensity	Tonnes CO ₂ equivalent emissions/tonne of copper produced	305-4	3.0	3.0	3.1	3.3
MINING WASTE*						
Mining waste						
Waste rock	Million tonnes	MM3	393	316	307	286
Tailings	Million tonnes	MM3	93	93	93	96
Spent ore	Million tonnes	MM3	69	63	66	63
Non-mining waste						
Total weight of generated waste	Tonnes	306-3	40,518	41,056	49,476	41,594
Non-hazardous industrial waste	Tonnes	306-3	25,271	28,146	36,178	27,787
Hazardous industrial waste	Tonnes	306-3	9,784	8,759	9,085	10,015
Domestic	Tonnes	306-3	5,463	4,151	4,213	3,793
Waste treatment						
Recycled	Tonnes	306-3	17,585	19,740	31,770	19,855
Composted	Tonnes	306-3	0	0	0	0
Reused	Tonnes	306-3	5,400	5,298	4,258	3,981
Burnt	Tonnes	306-3	0	0	0	0
Recycling rate	Percentage	306-3	57%	61%	73%	56%
BIODIVERSITY AND HERITAGE						
BIODIVERSITY						
Protected areas	Hectares	304-3	26,921	26,921	26,921	26,921

GRI content index

GRI STANDARD	Page number or URL	Not reported	External assurance
GRI 101: FOUNDATION 2016 (GRI 101 DOES NOT INCLUDE DISCLOSURES)			
GENERAL CONTENTS			
102-1 Name of the organisation	Front cover		✓
102-2 Activities, brands, products and services	16-17		✓
102-3 Location of headquarters	Santiago, Chile		✓
102-4 Location of operations	16-17		✓
102-5 Ownership and legal form	16-17		✓
102-6 Markets served	32. Annual Report 2021 p. 10-15, 58-59		✓
102-7 Scale of organisation	16-17		✓
102-8 Information on employees and other workers	18, 36-39	Information about employees and other workers is not shown by employment contract or region.	✓
102-9 Supply chain	18, 22-23, 34-35		✓
102-10 Significant changes to the organisation and its supply chain	4-5, 8-9. Annual Report 2021 p. 6-7, 18-19, 34, 57, 108-111		✓
102-11 Precautionary Principle or approach	10, 27		✓
102-12 External initiatives	20-21		✓
102-13 Membership of associations	20-21		✓
102-14 Statement from senior decision-maker	4-5, 8-9		✓
102-15 Key impacts, risks and opportunities	28-31, 41-42, 50-51		✓
102-16 Values, principles, standards and norms of behaviour	14-15, 27-29, 64-67		✓
102-17 Mechanisms for advice and concerns about ethics	28-29		✓
102-18 Governance structure	24-26. Annual Report 2021 p. 104-105		✓
102-19 Delegating authority	24-25		✓
102-20 Executive-level responsibility for economic, environmental and social topics	24-26		✓
102-21 Consulting stakeholders on economic, environmental and social topics	18-19, 63, Annual Report 2021 p. 108-111, 129-131		✓
102-22 Composition of the highest governance body and its committees	70, Annual Report 2021 p. 112-118	Information not included on the membership of under-represented social groups and stakeholder representation.	✓
102-23 Chair of the highest governance body	The Chairman is not an executive of the company.		✓
102-24 Nominating and selecting the highest governance body	Annual Report 2021 p. 120-122		✓
102-25 Conflicts of interest	28-29. Annual Report 2021 p. 102-103	Information not included on whether conflicts of interest are disclosed to stakeholder groups, according to GRI Standards.	✓
102-26 Role of the highest governance body in setting purpose, values and strategy	24-25		✓
102-27 Collective knowledge of highest governance body	Annual Report 2021 p. 114		✓
102-28 Evaluating the highest governance body's performance	Annual Report 2021 p. 123		✓
102-29 Identifying and managing economic, environmental and social impacts	30-31. Annual Report p. 24-30, 120-128		✓
102-30 Effectiveness of risk management processes	0-31. Annual Report 2021 p. 22-23, 120-128		✓
102-31 Review of economic, environmental and social topics	26. Annual Report 2021 p. 24, 129-131		✓
102-32 Highest governance body's role in sustainability reporting	26. Annual Report 2021 p. 129-131		✓

**GRI 102:
General
Disclosures
2016**

GRI STANDARD	Page number or URL	Not reported	External assurance	
GRI 102: General Disclosures 2016	102-35 Remuneration policies	Annual Report 2021 p. 134-152	✓	
	102-40 List of stakeholder groups	18-19	✓	
	102-41 Collective bargaining agreements	39	✓	
	102-42 Identifying and selecting stakeholders	18-19	✓	
	102-43 Approach to stakeholder engagement	18-21	Information not included on the frequency of engagement by type and by stakeholder group.	✓
	102-44 Key topics and concerns raised	11-13, 63, 67		✓
	102-45 Entities included in the consolidated financial statements	The Sustainability Report 2021 only covers Antofagasta Minerals' operations. In contrast, the Annual Report 2021 covers the operations of Antofagasta plc, the mining group which controls Antofagasta Minerals		✓
	102-46 Defining report content and topic boundaries	Inside front cover flap, 63		✓
	102-47 List of material topics	63		✓
	102-48 Restatements of information	The effect of any restatement of information with respect to previous reports and the reasons for the restatement, are shown in the footnotes to the respective indicators.		✓
	102-49 Changes in reporting	Significant changes are shown in the footnotes.		✓
	102-50 Reporting period	Inside front cover flap		✓
	102-51 Date of most recent report	Sustainability Report 2020 published in May 2021		✓
	102-52 Reporting cycle	Annual		✓
	102-53 Contact point for questions regarding the report	Inside back cover flap		✓
	102-54 Claims of reporting in accordance with the GRI Standards	Inside front cover flap		✓
102-55 GRI contents index	75-79		✓	
102-56 External assurance	62		✓	
MATERIAL TOPICS				
I. ECONOMIC DEVELOPMENT				
Copper's role in future economy and economic performance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	32-33	✓	
	103-2 The management approach and its components	4-5, 33	✓	
	103-3 Evaluation of the management approach	4-5, 33, 68, 69	✓	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	33, 69	✓	
GRI 203: Indirect Economic Impacts 2016"	203-2 Significant indirect economic impacts	34-37, 39, 42, 44-49, 69	✓	
	Copper production	16-17, 69	✓	
	Revenues	16-17, 69	✓	
	EBITDA	6, 16-17, 69	✓	
Responsible Supply				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	34	✓	
	103-2 The management approach and its components	18, 34-35	✓	
	103-3 Evaluation of the management approach	7, 34-35, 69-70	✓	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	69	✓	
	Total suppliers	34, 69	✓	
	Purchase of goods and services	34-35, 69-70	✓	

GRI STANDARD		Page number or URL	Not reported	External assurance
II. TRANSPARENCY AND CORPORATE GOVERNANCE				
Ethics, compliance and human rights				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	28-29		✓
	103-2 The management approach and its components	28-29, 43		✓
	103-3 Evaluation of the management approach	19-21,31, 70		✓
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	28-29, 36-39		✓
	Number of discrimination incidents reported during the year	29, 70		✓
	Percentage of reports resolved during the year	70		✓
Corporate governance and risk management				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	24-25, 27, 30-31		✓
	103-2 The management approach and its components	24-31		✓
	103-3 Evaluation of the management approach	24-25, 30-31, 70		✓
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	70. Annual Report 2021 p.124		✓
III. PEOPLE				
Safety and health				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	40- 41		✓
	103-2 The management approach and its components	40-41		✓
	103-3 Evaluation of the management approach	6, 7, 40-41, 72-73		✓
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	40-41		✓
	403-2 Hazard identification, risk assessment, and incident investigation	40-41		✓
	403-3 Occupational health services	40-41		✓
	403-4 Worker participation, consultation, and communication on occupational health and safety	40-41		✓
	403-5 Worker training on occupational health and safety	40-41		✓
	403-6 Promotion of worker health	40-41		✓
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	40-41		✓
	403-9 Work-related injuries	6, 40-41, 72-73	Safety indicators are not shown by country, as all operations are in Chile. Information not included: breakdown by sex, age or worker type.	✓
	403-10 Work-related ill health	6, 40-41, 72-73		✓
	Employee engagement, human capital development and talent attraction and retention			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	18, 36		✓
	103-2 The management approach and its components	18, 36-39		✓
	103-3 Evaluation of the management approach	7, 36-39, 70-73		✓

GRI STANDARD		Page number or URL	Not reported	External assurance
GRI 401: Employment	401-1 New employee hires and employee turnover	71		✓
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	36-38,70-71		✓
	Unionisation and freedom of association	39, 71		✓
	MM4 Number of strikes and lockouts exceeding one week's duration	39		✓
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	38, 71	Information not included: average hours of training broken down by sex and job category.	✓
	404-2 Programmes for upgrading employee skills and transition assistance programmes	38-39	Information not included: Transition assistance programmes for professionals leaving the company.	✓
	404-3 Percentage of employees receiving regular performance and career development reviews	71	Information not included: breakdown by sex and job category.	✓
Contractors				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	18, 36-37,39		✓
	103-2 The management approach and its components	36-37, 39-41		✓
	103-3 Evaluation of the management approach	36, 37, 39-41, 71-73		✓
IV. SOCIAL DEVELOPMENT				
Community engagement and development				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	18, 42		✓
	103-2 The management approach and its components	18, 42-49		✓
	103-3 Evaluation of the management approach	6, 7, 42-49, 73		✓
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	73		✓
GRI 203: Indirect Economic Impacts	203-2 Significant indirect economic impacts	42-49, 73		✓
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes.	42-49, 73		✓
	413-2 Operations with significant actual and potential negative impacts on local communities	42-49		✓
V. ENVIRONMENTAL MANAGEMENT				
Environmental management; biodiversity and heritage; mine closure; emergency preparedness; air quality				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	52, 56 - 59		✓
	103-2 The management approach and its components	52, 56 - 59		✓
	103-3 Evaluation of the management approach	7, 56 - 59, 73-74		✓
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	57 - 58		✓
	306-2 Management of significant waste-related impacts	57- 58		✓
	306-3 Waste generated	57-58, 74		✓
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	58, 73		✓
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	59, 74		✓

GRI STANDARD		Page number or URL	Not reported	External assurance
	MM10 Number and percentage of operations with closure plans	73		✓
Water management				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	52, 55		✓
	103-2 The management approach and its components	52, 55		✓
	103-3 Evaluation of the management approach	52, 55		✓
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	5, 8, 44, 46, 55		✓
	303-2 Management of water discharge-related impacts	55		✓
	303-3 Water withdrawal by source	6, 55, 73-74	Wastewater from third party organisations is not used, nor is rainwater collected naturally in reservoirs and other water storage spaces quantified.	✓
	303-5 Water consumption	55, 73-74		✓
Climate change and renewable energies				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	50-51		✓
	103-2 The management approach and its components	50-54, 74		✓
	103-3 Evaluation of the management approach	7, 50-54, 74		✓
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	51-52,74		✓
	305-2 Indirect (Scope 2) GHG emissions	51-53,74		✓
	305-4 GHG emissions intensity	6, 53,74		✓
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	54, 74	There is no heating, cooling or steam consumption or sales from renewable energy sources.	✓
	302-3 Energy intensity	54, 74		✓
Mining waste				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	57, 58		✓
	103-2 The management approach and its components	57, 58		✓
	103-3 Evaluation of the management approach	57-58, 74		✓
	Waste by type and disposal method	74	Antofagasta Minerals reports waste treatment methods by hazardous, non-hazardous and domestic waste (which is also non-hazardous).	✓
	MM3 Total amount of coverings, rock, tailings and mud, and their associated risks	74		✓



ANTOFAGASTA
MINERALS

SUSTAINABILITY REPORT 2021

MANAGEMENT

Public Affairs Department
Antofagasta Minerals

CONTENTS

Emily Russell and Ruth Bradley

TRANSLATION INTO SPANISH

Patricia Concha

**SUMMARY OF SUSTAINABILITY
PERFORMANCE AND GRI CONTENTS**

www.sustainalab.cl

DESIGN AND PRODUCTION

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This report complements the financial and business information contained in Antofagasta plc's 2021 Annual Report and Financial Statements, available at www.antofagasta.co.uk.

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